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HOUSE OF COMMONS

Second Session—Twenty-second Parliament
1955

Government
Publications

SPECIAL COMMITTEE

ON

BROADCASTING

Chairman: Dr. PIERRE GAUTHIER

MINUTES OF PROCEEDINGS AND EVIDENCE

No. 5

THURSDAY, MAY 5, 1955

FRIDAY, MAY 6, 1955

WITNESS:

A. Davidson Dunton, Chairman of the Board of Governors of the Canadian
Broadcasting Corporation.

EDMOND CLOUTIER, C.M.G., O.A., D.S.P.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1955.

SPECIAL COMMITTEE
ON
BROADCASTING

Chairman: Dr. Pierre Gauthier

Vice-Chairman: Mr. G. D. Weaver

and

Messrs.

Balcer	Fleming	McCann
Beaudry	Gauthier (<i>Nickel Belt</i>)	Monteith
Boisvert	Goode	Reinke
Bryson	Hansell	Richard (<i>Ottawa East</i>)
Carter	Henry	Richardson
Cauchon	Holowach	Robichaud
Decore	Kirk (<i>Shelburne-</i>	Studer
Diefenbaker	<i>Yarmouth-Clare</i>)	
Dinsdale	Knight	

R. J. GRATRICK,
Clerk of the Committee.

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MINUTES OF PROCEEDINGS

Room 118,
THURSDAY, May 5, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

Members present: Messrs. Balcer, Beaudry, Boisvert, Bryson, Carter, Cauchon, Decore, Dinsdale, Fleming, Goode, Hansell, Henry, Knight, Monteith, Richard (*Ottawa East*), Richardson, Robichaud, Studer, Weaver.

In attendance: From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, W. G. Richardson, Director of Engineering, H. Bramah, Treasurer, R. C. Fraser, Director of Press and Information, G. Young, Director of Station Relations, W. Powell, Commercial Manager, K. M. Kelly, Assistant Director of Personnel and Administration, J. P. Gilmore, Coordinator of Television, D. Manson, Special Consultant, M. Ouimet, Assistant Director of Programmes and J. A. Halbert, Assistant Secretary.

The Committee resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation. (*Television.*)

The examination of Mr. Dunton on the Annual Report was continued, Messrs. Ouimet and Richardson answering questions specifically referred to them.

The following documents, requested at a previous sitting, were tabled by the witness and copies distributed to members of the Committee:

1. CBC Television Network Rate Card.
2. A return showing the net proceeds from different types of a sample television programme—American and Canadian.
3. A recapitulation of the number of employees on the staff of the CBC, by divisions, as at March 31, for each of the years 1953 and 1954.

At 12.55 o'clock p.m., the Committee adjourned to meet again at 3.30 o'clock p.m. this day.

AFTERNOON SITTING

Room 118,
THURSDAY, May 5, 1955.

The Committee resumed at 3.30 o'clock p.m. Dr. Pierre Gauthier, the Chairman, presided.

Members present: Messrs. Balcer, Beaudry, Boisvert, Bryson, Carter, Cauchon, Dinsdale, Fleming, Goode, Hansell, Knight, McCann, Monteith, Reinke, Richard (*Ottawa East*), Weaver.

In attendance: Same as at the morning sitting.

The Committee resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation. (*Television.*)

The examination of Mr. Dunton on the Annual Report was continued, Messrs. J. A. Ouimet, General Manager and M. Ouimet, Assistant Director of Programmes, answering questions specifically referred to them.

On motion of Mr. Hansell,

Ordered,—That a return showing the number of television sets in Canada, by regions, be printed as an appendix to this day's evidence. (*See Appendix "A"*)

At 5.25 o'clock p.m., the Committee adjourned to meet again at 11.00 o'clock a.m., Friday, May 6, 1955.

R. J. Gratrix,
Clerk of the Committee.

Room 118,
FRIDAY, May 6, 1955.

The Special Committee on Broadcasting met at 11.00 o'clock a.m. this day. Dr. Pierre Gauthier, the Chairman, presided.

Members present: Messrs. Balcer, Beaudry, Boisvert, Carter, Decore, Dinsdale, Goode, Knight, McCann, Monteith, Reinke, Richard (*Ottawa East*), Richardson, Robichaud, Studer and Weaver.

In attendance: From the Canadian Broadcasting Corporation: Messrs. A. Davidson Dunton, Chairman of the Board of Governors, J. A. Ouimet, General Manager, W. G. Richardson, Director of Engineering, C. R. Delafield, Director, International Service, H. Bramah, Treasurer, D. Manson, Special Consultant, R. C. Fraser, Director of Press and Information, C. Jennings, Director of Programmes, G. Young, Director of Station Relations and J. A. Halbert, Assistant Secretary.

The Committee resumed its detailed examination of the Annual Report 1953-54 of the Canadian Broadcasting Corporation (*Television and International Service*).

The examination of Mr. Dunton on the Annual Report was continued, Mr. J. A. Ouimet, General Manager, answering questions specifically referred to him.

At 12.50 o'clock p.m., the Committee adjourned to meet again at the call of the Chair.

R. J. Gratrix,
Clerk of the Committee.

EVIDENCE

May 5, 1955.
11.05 a.m.

The CHAIRMAN: Order, gentlemen, we have a quorum. At the last meeting we were discussing the question of television. I would ask members of the committee, if it is possible—I do not know if it is—to discuss this question of television in a more orderly way by taking the subparagraphs in order. You have Television—that is the main paragraph—then you have subparagraphs dealing with music, variety, comedy, drama, religious programs, school broadcasts and so on. Do you think you could deal with the matter in this way?

Mr. FLEMING: We are so far into this subject that I was going to suggest that we might consider something a little more basic. I was going to ask more questions about basic policy with regard to licensing and television.

The CHAIRMAN: Is that not under the authority of the Transport Department? Would you not have Mr. Brown answer those questions?

Mr. FLEMING: Yes, in part, but I have some questions to ask Mr. Dunton.

The CHAIRMAN: Questions which do not relate to the Transport Department?

Mr. FLEMING: No. The Board of Governors, of course, has certain functions to carry out in regard to reviewing applications.

The CHAIRMAN: Then you will hold your questions until Mr. Brown is here—those questions which pertain to the Transport Department?

Mr. FLEMING: That is what we were doing with regard to the situation in sound broadcasting.

Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, called.

By Mr. Fleming:

Q. Mr. Dunton, as things stand at present the Board of Governors is responsible for the hearing of applications for television licences?—A. We hear them before we make a recommendation on the applications.

Q. It is the function of the Board of Governors to hear application and to make a recommendation to the Transport Department?—A. That is right.

Q. What are the instructions under which you are operating in that respect from the Department of Transport?—A. None in particular.

Q. Can you give us a definition of the policy within which you are operating in hearing applications? There are some which I believe you are simply holding in suspense.—A. There are no instructions to us. In making recommendations we do not take instructions. We make our own recommendations. I think, however, that you are thinking of applications which for some years have not been referred to the board—or not accepted by the department, it might be more correct to say.

Q. Do I understand that the Board of Governors has heard and disposed of, in some way or other, all applications which have been referred to it by the Department of Transport?—A. Yes.

Q. Are there none which you are holding in abeyance?—A. No.

Q. You have either accepted them or rejected them as far as your recommendation is concerned?—A. As I think you are aware there were some years ago some television applications which reached us and which for various reasons were not acted on. Since that time applications in those areas like Montreal, Toronto and Vancouver have not been referred to us.

Q. They were suspended. They were on file, but you did not dispose of them?—A. Since the general licensing policy of the government was announced applications for those areas have not been referred to us.

Q. To whatever extent they were before the Board of Governors at one time, they have been sent back to the Department of Transport?—A. I think so. We probably have records of it. But as far as we are concerned they are being dealt with—or not being dealt with—by the department. If at any time the department should refer them to us we should make a recommendation.

Q. With regard to those applications which have been referred to you and which you have dealt with, what are the principles on which the board has proceeded in recommending that a license should be granted, or that there should be a rejection?—A. The usual things such as the suitability of the applicant—whether it appears to the board that the applicant is likely to operate a good television service—and whether the applicant will extend the coverage of the national service. It is understood in all of the applications which we recommend that a mutual obligation is undertaken: by the station to carry the national program service supplied by the national system, and by C.B.C. to supply that national service. One of the things we look at of course is whether the station will extend the national system.

Q. In considering the suitability of the applicant what factors do you take into account? Do you give any credit for the operation of a sound broadcasting station?—A. That question has come up. The board will not say automatically that the operator of a sound broadcasting station should or have reference, be approved but it is perfectly open to hear that argument put forward by such an applicant, namely that that is a special reason why he should be given a licence. But we think it would be improper to have any rule or policy of preference for people already operating sound broadcasting stations.

Q. Do I take it then that while that is not a conclusive consideration in favour of the applicant, nevertheless the fact that he has experience as a sound broadcaster and has operated satisfactorily for a time in that capacity is regarded as in favour of the suitability of the applicant to be granted a television license?—A. It is a point which he could put forward and which would be given weight according to the circumstances.

Q. It is a point which has some weight given to it?—A. Yes.

Q. I suppose it would bear on the earlier consideration you mentioned, namely whether the applicant is likely to be capable of providing a high quality of service?—A. That would be one factor.

Q. With regard to the matter of extending national coverage—what is substantially the basis on which you approach that question in dealing with an application?—A. That it will extend coverage of the national television system in Canada—the system as a whole—with a minimum of duplication of services. As we understand it the licensing policy of the government is to spread television services as widely as possible. Therefore in our recommendation we endeavour to keep duplication of services to a minimum and increase the extent of the service to a maximum.

Q. You used the expression “the television licensing policy of the government”. What particular statement of that policy did you have in mind to which you are seeking to give effect in this regard?—A. There have been several statements by the Hon. Dr. McCann on behalf of the government. In December 1952, I think.

Q. Was that statement made in the House of Commons?—A. In the House of Commons. I think that explained the government's part of the licensing policy.

Q. Is that the complete answer?—A. I am just trying to think if there were some other statements clarifying it more.

The CHAIRMAN: You do not want Mr. Dunton to discuss government policy.

Mr. FLEMING: No. He does not make policy. But I was going to touch on that point.

The WITNESS: I think so far as we are concerned our understanding is based on that statement. That does not mean there are instructions to the board. We see it as a statement of government policy, the government being the licensing authority through the Department of Transport. In our recommendations we try to carry out the purpose of extending the national service as widely as possible.

The CHAIRMAN: Mr. Fleming, members sitting in the far corner of the room complain that they cannot hear everything. I would ask you to speak up, please.

By Mr. Fleming:

Q. In what form does the Board of Governors take note of that statement of government policy? Has it been communicated to them in any form or do they just read it in *Hansard*?—A. Just the *Hansard* record—that is the communication.

Q. You have had no communication from the government in any form setting forth that policy? I take it you are simply operating on such information with regard to government policy as you have gleaned from the reading of the statement in *Hansard*?—A. I cannot think off-hand of any other communication. Naturally we have discussed these matters with the proper government authorities, but I think, in our view, that the general licensing policy of the government is very well understood, and that is a government responsibility. We operate within that policy and try to do our best with the recommendation.

Q. I quite understand, Mr. Dunton. You do not make the policy. Since you are a review body you have regard to the policy in making the recommendations which you do make to the department of Transport which actually does the licensing. But I was just wondering whether in your approach to your duty in this respect you simply act on the statement made by Dr. McCann in the House of Commons or whether it was communicated to you by the government in some more direct way?—A. I cannot think of any other more direct way of communication.

Q. If there is anything documentary on the subject would you look it up and let us see it at a later meeting?—A. Yes I will do that.

By Mr. Hansell:

Q. On that point, Mr. Chairman, there would be, would there not, close liaison between the C.B.C. and the government through Dr. McCann?—A. In what respect?

Q. In respect of policy. A. You mean licensing policy?

Q. It would apply to any policy that might be changed.—A. The policies and operations of the corporation are very much our own.

Q. Mr. Fleming indicated that the government had intimated to the House that there was going to be a change in the television licensing policy. What Mr. Fleming is asking is whether there is any documentary evidence that that policy was communicated to you? What I am trying to say is: would

there not be continual conferences going on between yourselves and the appropriate minister?—A. There would naturally be discussions at that time about the general development of the national system and the licensing policy which might be adopted and our side of the development operation and the physical extent of the operation.

By Mr. Beaudry:

Q. Further to that question, Mr. Dunton—I realize this may be rather outside the range of this present discussion—is it determined now how many channels are available in Canada?—A. Yes. It has been determined for a long time. In the V.H.F. band there are 12 channels available which as you know may be repeated in a pattern as worked out by the Department of Transport, within 250 miles of the United States' border under agreement with the United States authorities.

Q. Has it been determined how many of these channel patterns are now possible or are likely to be possible over a period of years.—A. My understanding is that there is an allocation planned by the Canadian authorities with the necessary agreement with the American authorities to make the best use of the channels, given the technical conditions which must apply and the distribution of population in Canada.

Q. Has it been technically determined what number of subdivisions of these channels is likely ever to exist?—A. I do not think it is quite a question of subdivisions—it is a question of using a channel in one area and then using it in another area; there must be a separation between the stations on the same channel and stations on a side-channel. Can I ask the Director of Technical Services to outline the limitations?

Mr. W. G. Richardson, Director of Engineering, Canadian Broadcasting Corporation:

It is a little difficult, gentlemen, to outline this, for the agreement is set up in terms of decibels between basic signals and interfering signals. It is almost impossible to bring it down to a matter of mileage separation as we are able to do in the case of the standard broadcast band. I think the details of that agreement are administered by the Department of Transport, and the answer to the question will probably come better from one of their officers.

Q. I will leave my question until later then, Mr. Dunton.

By Mr. Studer:

Q. How is it determined when and where the C.B.C. establishes its own stations? At Vancouver for instance we have a station owned and operated by the C.B.C. Two other provinces have privately owned stations. There is a privately owned C.B.C. station in Winnipeg. On what basis is it established where you will or will not set up a station?—A. When we in the past have wished to establish a television station we have applied to the government for the necessary authorization and licensing permission, and of course we have had to have the financing available. Therefore it is a government decision as to whether a C.B.C. station can be established, subject to our applying for approval.

Q. The people at Vancouver, for instance—did they apply to the C.B.C. for consideration of whether a station could be established, or does the C.B.C. say: "here might be a good place for a station."—A. If it is a question of establishing a C.B.C. station the corporation thinks, for instance, that they should have a station at Vancouver and would apply for permission to establish one.

Q. This may be a question on the technical side, but is it not true that the fringe boundary of the telecasts we have at present is about 80 miles, depending on the situation of the transmitter?—A. It is not often that good service goes beyond that. There may be some cases where it would.

Q. Height has something to do with it, and power as well?—A. They both have.

Q. I was wondering if it is in order to ask the engineers if there is a prospect of extending the limits of these transmissions—is there some prospect in the future, due to engineering or scientific development, of extending that range to 150 or even 200 miles?

Mr. OUMET: We have learned from experience not to try to predict what may be done technically in the future. However, it does not seem likely that with present methods, or those which we can foresee, the radius of television transmitters can be extended to the distance you have mentioned. It is always possible by increasing height of the transmitter to achieve greater distances, but generally it is not a technical problem but a financial problem. Theoretically it is possible to build very high transmission masts of 2,000, 3,000 or even 4,000 feet in height which would greatly extend the radius of coverage. When you have mountains available it is relatively easy. As a matter of fact it is possible to use aeroplanes with airborne transmitters, and have transmission from a height of 30,000 feet which I believe would give a coverage of at least 200 miles in each direction—or a circle 400 miles in diameter. This was proposed some years back; it was tried, and it worked, but it is purely a question of economics as to whether it should be used. As with all such things it might become possible to have transmitters with exceptionally wide coverage, but it may turn out also that such arrangements would not be so economical as a greater number of lower powered transmitters.

Q. In connection with decisions with regard to whether a station should or should not be established, is there a minimum number of people taken into consideration within the area to be serviced—is there a minimum population in mind, based on which the erection of a station is considered; for example a minimum of 100,000?

The WITNESS: With regard to a private station, when an application comes before us the board tries to satisfy itself that there appears to be an economic prospect of sufficient business to support a good broadcasting service. We have certainly not yet discovered any minimum population which will support a station, partly because the success of an undertaking depends on different types of operation, and television is changing very fast. Some stations have gone to areas of relatively small populations, such as Brandon and Sudbury. I think the people on the private side of television and ourselves can only learn from experience. We expect that there will be a development in the provision of lower powered stations which could be built and operated relatively cheaply and which will, of course, involve lower overhead charges. Thus there may be more private stations operating on that account, and the C.B.C. may be in a better position to extend service where it seems desirable to areas of smaller population through these relatively low powered transmitters.

Q. The C.B.C. in other words consider the service together with the possible revenue, with more emphasis on the service than on the revenue?—A. So far as television itself is concerned we would like to see the service brought to every Canadian either through the C.B.C.'s own facilities or through private stations. Then we take account of how many areas will prove economic for privately owned stations, and of what funds we shall have available in the future for the establishment of repeater transmitters in outlying areas. In a case like that where one is considering the matter on

the basis of the funds of the national system and the desirability of trying to serve every Canadian, we find quite naturally, usually, to use our money to serve the greatest number of people possible.

By Mr. Robichaud:

Q. In the north of New Brunswick and the Gaspé coast there is an estimated population of between 200 and 250,000 who are not presently served by television. Would Mr. Dunton tell us if there has been any application received from a private station in that area to set up a television transmitter, or has the C.B.C. itself given any consideration to establishing a station?—A. We have not received an application in the department and I have not heard of any being made. With regard to the C.B.C., at the present time we are authorized only to establish the seven stations which we have now and the one in Ottawa which is still to come into operation and that is the limit of our authorization. The corporation would like in the time ahead if we have the funds available to establish some low powered relays to fill in some of the gaps in the system as it has developed, but we are not in a position to do that now. We have not the authorization, nor at the moment have we the money in sight.

Q. It appears that a station in the centre of the Gaspé coast could serve this entire area. Has no request been made to the C.B.C. for the establishment of such a station?—A. No. None has reached us.

Q. I would certainly like to put one on record now.—A. Such a request would go to the Department of Transport. We would get it when it was a properly processed application in good form.

By Mr. BOISVERT: Q. Following up Mr. Robichaud's question, did you receive any application from a private station for the establishment of a television station in Montreal?

The WITNESS: I think I explained earlier that for some time they have not been accepting applications, public or private, from areas where there one station public or privately owned.

By Mr. GOODE: Q. What channels are available now on the mainland of British Columbia?—A. That is a Department of Transport matter but I think we can give the information at second hand. These are only V.H.F. channels, that is standard regular television: channel 3 for the Chilliwack area, and eight and ten in the Vancouver and New Westminster area, and six in Victoria.

Q. And numbers two is occupied by yourselves now?—A. Just one—channel 2.

Q. What was the last one you mentioned?—A. Six.

Q. What was that for?—A. Victoria.

Q. So you have eight and ten free in Vancouver?—A. Yes.

Q. What applications have come before the C.B.C. Board of Governors in regard to an application for a privately owned station to cover eight and ten?—A. None. As I have been explaining, the Department of Transport has not been sending us applications for areas served by any stations, public or private, for some time.

Q. Has there been any correspondence between the C.B.C. and people interested in establishing a private station in British Columbia?—A. Yes, a number of people have written, but the proper procedure is for an application to be made for the proper form to the Department of Transport.

Q. If all the conditions were met about which you spoke to Mr. Fleming, such as the suitability of the applicants, et cetera, is it a fair question to ask what would be the attitude of the C.B.C. to the establishment of a private

station on the lower mainland?—A. There you get into the question of licensing policy as applied to the acceptance of the applications. We are receiving none from any area where there is a station, and it is my understanding that the department is not accepting applications under the general government policy.

Q. I think I am correct in saying that there has been some correspondence between the C.B.C. board of governors and some people who want to operate private stations on the lower mainland?—A. I think we have a few, but in answering we explain that they have to deal with the Department of Transport. An application only comes to us for recommendation.

Q. May I ask that these respective applicants be put on the record either today or at some future date? I am referring to people who have applied.—A. I would like to suggest that anyone can write to us, but we are not the people to whom they should write in respect of television applications.

Q. I am not arguing your policy at the moment although I might take that opportunity at some future date, but you have said that the C.B.C. board of governors takes the attitude that these people must be qualified. I would like to know how many of these qualified people from British Columbia have had correspondence with the C.B.C. board of governors and what the C.B.C. has done about the prospective applications?—A. I can tell you right now, Mr. Goode, that all we can say in general to people is that all applications must be made to the Department of Transport.

The CHAIRMAN: You could ask this question of Mr. Brown, could you not?

Mr. GOODE: Yes, I am going to ask Mr. Brown a lot of questions, but I would still like to know the attitude suggested in the correspondence between these applicants and the C.B.C. I do not think I am asking for too much, because I am of the opinion, rightly or wrongly, that the C.B.C. board of governors have some influence on the Department of Transport in regard to the giving of TV licenses. I could be wrong, but that is my opinion. I would like to know what has been said in regard to these applications, or the reply to the letters that have come from the people in British Columbia. I think it would be only fair to have this correspondence put on the record, and I am asking that this be done.

The CHAIRMAN: All the correspondence?

Mr. GOODE: No, let us limit it to the beginning of 1954.

The WITNESS: As the committee wishes, Mr. Chairman. It is simply a question of producing correspondence from different individuals or organizations which would be unofficial because it would be addressed to the wrong place.

The CHAIRMAN: When you receive correspondence making application for a TV station you have to refer the applicant to the Department of Transport?

The WITNESS: Yes, we explain that the application has to go to the Department of Transport.

The CHAIRMAN: Your answer is this: "Make application to the Department of Transport".

The WITNESS: Something along those lines, yes.

Mr. GOODE: I do not think I am being unfair in asking that this correspondence be put on the record, Mr. Chairman, because there are some bona fide applications in that correspondence, and I want to know who the applicants are. I would hope that Mr. Dunton would go along with me on that. I have a very good reason for asking.

The CHAIRMAN: Do you not think you could obtain this correspondence from the Department of Transport?

Mr. GOODE: I will ask them, too.

The CHAIRMAN: But if you have already obtained that information from the chairman of the C.B.C.—

Mr. GOODE: As I have already explained, I think there is a connecting link between an applicant who comes before the C.B.C. board of governors and the final attitude of the Department of Transport, and if I could get those names on the record from the beginning of 1954—there will not be too many—I would like to have them.

The CHAIRMAN: I am in the hands of the committee. Does the committee wish to have this correspondence placed on the record?

Mr. FLEMING: I do not think Mr. Dunton has any objection to producing correspondence, but the question of whether or not it should go on the record should be decided when the volume of the correspondence is known.

The CHAIRMAN: What I am trying to avoid is a duplication of questions.

Mr. FLEMING: Would not the sensible course be to have Mr. Dunton produce the correspondence for Mr. Goode's reading, and then if there are any parts of it that should go on the record, we can deal with the question of putting it on the record at that time.

Mr. GOODE: That would satisfy me.

Mr. HANSELL: I have no objection to that, Mr. Chairman, but we may be creating a precedent here.

Mr. CAUCHON: That is it.

Mr. ROBICHAUD: Is it correspondence or names?

Mr. GOODE: I just want the names.

Mr. BOISVERT: That is a different story.

Mr. GOODE: I had to ask for the correspondence in order to get the names. If Mr. Dunton chooses to give me the names, I would be most satisfied.

The CHAIRMAN: Would it be agreeable to the committee to ask for the names?

Some Hon. MEMBERS: Agreed.

By Mr. Hansell:

Q. Following Mr. Goode's question, there is a relationship we know between the Department of Transport and the C.B.C. in respect to granting licences. May I ask this question: does the Department of Transport grant any licences for a TV station without the recommendation of the C.B.C.?—A. Under the law all applications have to be referred to us for a recommendation, yes.

Q. So there is no question about thinking whether or not there is a relationship—there is one. No application is ever accepted except on the recommendation of the C.B.C.?—A. May I just comment that there is no guarantee that a recommendation of ours will be accepted.

Q. That is true.

Mr. FLEMING: Have you ever known one that was not?

The WITNESS: Yes, in St. John's, Newfoundland, last year. We recommended that the Canadian Broadcasting Corporation be allowed to put a station there, and the licences went to another applicant.

By Mr. Fleming:

Q. Have the other applications been before the board of governors?—A. Yes.

Q. So that the C.B.C. board of governors was reviewing the application from an applicant and it was at the same time wanting to put in a station

for itself on the same channel and at the same place, is that right?—A. Yes. I could put it this way. We had considered this matter at considerable length from the point of view of the national system, and the C.B.C. facilities. The private station application was heard once and then deferred, and the board held a meeting in St. John's, Newfoundland, trying to size up the whole situation right on the spot, and out of that we made the recommendation, but the approval was different.

Q. In that case which application was filed with the Department of Transport first, the application of the C.B.C. or the application of the private applicant?—A. I suppose we are not in a like position. We do not have to file a formal application the same way as a private station does.

Q. Would that apply to any application which comes before you?—A. Yes.

Q. In any application coming before you from a private applicant, the C.B.C. has the opportunity without actually itself formally filing an application with the Department of Transport to decide that it wants the same channel in the same place for one of its own stations?—A. We can make that recommendation. It is one of the important powers we have.

Q. And in the illustrative case you mentioned in St. John's, Newfoundland, the board sitting in that position recommended to the Department of Transport that the C.B.C. should be given the licence for the station and that the private applicant's application should be rejected?—A. Yes.

Q. That is what happened?—A. Yes.

Q. And the Department of Transport in that case rejected your application and awarded the licence to the private application?—A. I might say our recommendation was to the effect that publicly owned facilities should be established there, but if not the application of the private applicant should be approved.

Q. It was your second choice if your first choice was rejected?—A. Yes.

Q. And if your first choice was rejected, you recommended that your second choice be approved?—A. Yes.

Q. Could that situation arise in any other place at any time?—A. I think an important idea of the conception under the Broadcasting Act is that under the national system we have the power and the duty to make recommendations about the use of frequencies and the establishment of stations both public and private, so a recommendation of ours can come at any time.

Q. That is the point I wanted to clear up, and I think it is clear that what happened in reference to Newfoundland could happen elsewhere in Canada at any time?—A. Yes. I think these were very particular circumstances in Newfoundland and the way it happened there is unlikely to happen again.

Q. But under the setup we have now it could happen elsewhere at any time?—A. Yes.

Q. When I was questioning you earlier there were one or two points which we did not clear up before the questioning led to other subjects, and may I now take you back briefly. In reference to the policy under which you are operating as a body to review applications, you told us that the C.B.C. had conferred with the proper government authorities. Who are they?—A. The minister with whom we deal in respect of broadcasting, Dr. McCann.

Q. That is the only channel you refer to?—A. Yes, that is right.

Q. Now, in regard to the C.B.C. stations, have you any plans for enlarging the number of stations beyond the seven you referred to?—A. We have no plans as I explained earlier, but we think it would be a desirable thing if it could be done practically from a financial point of view in the future to establish lower power transmitter relays to extend the coverage.

Q. You mentioned the low power relays. I was rather coming back to the matter of originating stations?—A. We have no plans at the present time, and no authorization for any other stations.

Q. How far have your early plans gone in connection with the proposed low power relays to supplement the seven existing C.B.C. stations?—A. Not very far. It is at the investigation stage. I think several manufacturers are working on technical equipment and our engineers are studying them, and therefore we hope to get a better idea of the cost of operating them within the next few months.

Mr. DINSDALE: What is the estimated cost of a low power relay unit at this time, have you any idea?

Mr. OUMET: As matters stand a complete station would cost in the neighbourhood of \$60,000 up to \$70,000 or \$80,000, depending of course on how low the power is. We talk about low power transmitters, but how low is one of the points that has not been settled yet. We do not know what the standard equipment will be, and what the actual cost will be.

Mr. BALCER: Is that what they call satellite stations?

Mr. OUMET: Not necessarily. A satellite station is a station which extends the service of another station. We are speaking of low power transmitter stations which could act as a satellite or could give service in an area where there is no service at all.

Mr. DINSDALE: What personnel would be involved in manning a repeater station?

Mr. OUMET: That is one of the questions that has not been settled, and that is one of the important factors in the cost of such stations.

Mr. FLEMING: I take it that you are not in a position to indicate yet, Mr. Oumet, the approximate number of low power relay stations that might be required?

Mr. OUMET: No, we cannot do that until we know the cost of each unit. We would not be in a position to determine whether we should work with a greater number of lower power units or a small number of higher power units. This development is something fairly recent, and a number of manufacturers have been working on this type of equipment for the last year. It has other uses than for our own broadcasting purposes. It can be used for certain military applications and others, I believe.

Mr. BRYSON: Mr. Chairman, concerning this question of ability to pick up TV signals let us say in a fringe area or an area outside a fringe area, I wonder if the department has had any applications from individuals in a fringe area or out of a fringe area for permission to provide facilities where they might be able to pick up signals and then have a charge per month to relay signals out to set holders throughout a small town by way of a line?

Mr. OUMET: This would be referred to the Department of Transport; that would not come to us.

Mr. RICHARDSON: Mr. Chairman, what range have the satellite stations of which you are speaking?

Mr. OUMET: The low power relay transmitter type?

Mr. RICHARDSON: Yes.

Mr. OUMET: It would be a limited range, depending on the power we would use. You see, this is all relative. We talk about low power relay transmitters as distinct from a high power station. Well, it could be half the power or one-tenth of the power or one-one thousandth of the power. What we are talking of is in the range of 40 watts or 50 watts instead of perhaps 5,000 watts, and the range would depend mainly on the height of the antenna, and there again it is more a problem of economics than a technical problem. Someone with a very low power transmitter could place an antenna on top of a thousand foot tower and get quite a range, but then the tower would be much more costly than the transmitter.

Mr. RICHARDSON: Mr. Chairman, are these stations original broadcasting stations themselves, or just relay stations?

Mr. OUMET: They could be either, but generally speaking they would be used to relay.

Mr. RICHARDSON: To boost?

Mr. OUMET: To relay something coming directly from the network, otherwise the cost of local origination would be too high, such low power relay transmitters would be used in areas of small population, and you could not justify the high cost of the studios to feed these transmitters with their own programming.

Mr. HANSELL: Do I understand that the householder can tune in to a relay station?

Mr. OUMET: Yes, as they would be on the regular TV broadcasting band. It is suggested that there may perhaps be some misunderstanding with respect to the lower power relay transmitters which are what you might call miniature broadcasting stations, generally with a lower antenna, lower power equipment, and generally keeping all costs down, but giving a limited coverage. These transmitters would relay the programs fed to them from the network. That is not the same thing as what we call microwave relay stations of the network itself, as operated by the wire companies or telephone companies. In that case, relay stations are used every 40 miles to relay programs across the country, but these programs cannot be heard or picked up by people with receivers who might be in the neighbourhood. The reason this cannot be done is simply that the frequencies used for the relaying of programs from city to city across the country are extremely high. They are called microwaves. They are not receivable by standard receivers. It would require very expensive equipment to receive such signals, which also are generally beamed. They are not radiated all around in all directions. They are concentrated in a very narrow beam towards the next relay point.

Mr. RICHARD (*Ottawa East*): Mr. Chairman, in Ottawa do we have a relay or a broadcasting station?

Mr. OUMET: The Ottawa station is a broadcasting station which originates its own programs although at the moment the number of programs it can originate is limited by the fact that we have to originate these programs outside our own premises. Permanent studios are being constructed, and we hope that they will be in operation within the next few weeks.

Mr. RICHARD (*Ottawa East*): I was going to ask that question. When do you expect the French and English stations to be in operation in Ottawa?

Mr. OUMET: The English station is in operation now; that is the bilingual station is in operation now. This one will continue in English. The French station, CBOFT, is under construction now and should be ready, we hope, by the end of June or at the beginning of July:

Mr. RICHARD (*Ottawa East*): They will not be transmitting simultaneously?

Mr. OUMET: They will transmit simultaneously.

Mr. RICHARD (*Ottawa East*): But they will not be on the air at the same time from the new tower?

Mr. OUMET: Oh yes. One is already on, and has been since May, 1953.

Mr. RICHARD (*Ottawa East*): On the new tower, I mean?

Mr. OUMET: On the new tower—that is another problem. We are transmitting now on a temporary tower, and the new tower should be ready for the CBOT station, the one already operating, within a matter of weeks.

Mr. RICHARD (*Ottawa East*): Will it continue to be a bilingual station?

Mr. OUMET: It will continue to be a bilingual station for a few more weeks until we start with the French station and have two stations.

Mr. RICHARD (*Ottawa East*): What will be the power of the new station—5,000 or 10,000?

Mr. OUMET: You have to distinguish when you talk about the power of stations. There is the power of the transmitter and the effective radiated power of the station which is the power of the transmitter multiplied by the gain of the antenna you use. The two stations will be of about the same power of the station which is the power of the transmitter multiplied by the radiated power.

Mr. RICHARD (*Ottawa East*): And the normal range would be about 60 miles?

Mr. OUMET: Yes, at least 60 miles. Again it depends on the terrain and whether or not there are mountains. In certain places it will go much further than 60 miles and it may extend for 70 or 80 miles, but in other places where the interference is high, as it is in cities, reception may be difficult at 60 miles.

Mr. RICHARD (*Ottawa East*): When you say that this is an originating station do you mean that the programs come from Toronto or are relayed?

Mr. OUMET: The way we operate the whole system is that we have a number of feeding points, or studio production points. Ottawa is one of them. Ottawa, of course, will not produce as many programs as does Toronto or Montreal simply because it is a smaller city, and generally speaking it does not have the same resources in terms of program material as has a city 5 or 10 times its size.

Thus we have programs from various cities in the country; from Vancouver, Winnipeg, Ottawa, Toronto, Montreal, Halifax and from many other points where we can get a program. These are fed to the network, and all the transmitters on the network may relay such programs, but at other times they may be transmitting a program which is made specifically for the city itself instead of being a network program.

Mr. BALCER: Mr. Chairman, I am quite sure you are aware of the situation in the Three Rivers region as far as reception is concerned, and some representation has been made about that. We hope to have either a satellite station from the C.B.C. or what you call this type of transmitter, the power relay transmitter, in the Three Rivers region. Can we expect that in the near future?

Mr. OUMET: May I comment on the first part of your question? You suggested that the reception in the Three Rivers area, which is a large area, is not very good and that is quite correct. Unfortunately, Three Rivers, one of our large cities, is situated between two transmitters and is no the fringe area of Montreal and the fringe area of Quebec. Like a number of other localities, Victoriaville, Drummondville and Grand Mere for example, it was never intended that they would be served by the station in Montreal, but it turned out that the interest of the public was so great that many people were willing to erect fairly elaborate antennas in order to get whatever they could from Montreal.

Mr. BALCER: There is about \$10 million invested in private sets, and antenna in the region.

Mr. OUMET: It is remarkable to what extent the public will go to get television reception. At the moment as far as the C.B.C. is concerned, as the chairman has said, we have authority to establish stations only in six centers. We have no plan to establish a station anywhere else, whether it be in Three Rivers or in any other part of the country at the moment. But we are looking

into the possibilities of these low power relay transmitters to fill in the gaps where C.B.C. or private stations do not operate. I would say, however, that in the case of Three Rivers a low power relay transmitter should be considered only as a last resort. This city and this area should, I believe, have a station of its own.

Mr. BALCER: According to information I have received from N.B.C. engineers no private station will be able to make a living with the population we have in that area now and which we can expect to have in the next 10 or 15 years.

Mr. OUMET: Not under the American system, but under the Canadian system there are quite a number of stations operating in areas which have a much smaller population than Three Rivers. They manage fairly well, I believe, and it is simply because they are fed with a program service which is paid for on a national basis. It is not the same problem as that which exists in the United States, which is why we have this arrangement in Canada.

Mr. BALCER: Would you not agree that if a satellite station will give perfect reception to the whole area without costing too much money to the taxpayers of Canada it would be worthwhile providing such a station? According to my understanding a satellite station could be beamed, for instance, on our French Network and give excellent reception to the whole area for an amount of approximately \$125,000. I think this has been done in Texas and in some other areas in the United States, and if they have secured good results I think it would be a very good thing if the C.B.C. were to inquire into the possibility of building such a satellite station in the area I have mentioned because at the present time there is over \$10 million invested in apparatus in the region. It is true the people did not have to buy the sets, but I think that in view of this large investment the government might respond especially when, as I say, a solution could be found for about \$125,000.

Mr. OUMET: You are speaking of a satellite station as distinct from a low power relay transmitter which we have discussed before. There is that possibility—a station which would be a “slave” of an existing station which would carry exactly the same program, with the same local material which the master station might carry. Of course if there is nothing better available I suppose this might be a solution. I am suggesting, however, that the area of Three Rivers and the dense population all around could somehow be served as much smaller cities in the country are being served, or will be served, and all those areas are now reserved for private applications. The C.B.C. is not considering such areas now but obviously the C.B.C. is concerned with any places in Canada which are not getting proper service.

Mr. BALCER: That is the point. We have been waiting for three or four years for some people to start a private station, and it is easy to see that nobody is willing to take that risk at the present time. They could not afford to do so. It will be such a simple thing for the C.B.C. to settle this problem by providing a satellite station or a low powered transmitter.

Mr. OUMET: There are so many places in Canada where coverage has to be completed that the whole question is now one of economics and financing. Technically there is practically nothing which engineers cannot do if cost is not a factor.

Mr. BALCER: If it was a million dollar job I would understand your point, but since the amount involved is small, I think you could give a chance to this population. If the C.B.C. picks the “plums”—the big stations in Montreal and Toronto—it is only fair they should look after the fringe areas for about \$120,000. They pick the “plums” and leave the rest to the private stations.

Mr. OUMET: I do not know whether it is my particular role to answer your question about "plums", but the reason why the C.B.C. is operating in the big centres is not because they are particular "plums" but because that is where they get the talent to feed the programs to the smaller cities. If we did not operate in Montreal, Vancouver or Toronto, where would we get the talent for our programs?

Some Hon. MEMBER: Saskatoon.

Mr. ROBICHAUD: A while ago I mentioned the need for a station to serve the Gaspé coast and the northern section of New Brunswick. Could Mr. Oumet give the committee the approximate cost of erecting such a station?

Mr. OUMET: To transmit purely through the network—no program of its own?

Mr. ROBICHAUD: That is right.

Mr. OUMET: Have you got a mountain to put it on?

Mr. ROBICHAUD: Yes there is a mountain. There is quite an elevation there all along the Gaspé Coast.

Mr. OUMET: Is this mountain higher than other mountains around?

Mr. ROBICHAUD: Yes.

Mr. OUMET: Then it will cost somewhere around \$300,000 to \$500,000.

The CHAIRMAN: What is the name of the mountain?

Mr. ROBICHAUD: I think it is Mt. St. Joseph, but I am not too sure.

Mr. OUMET: One difficulty with mountain sites is that usually they are more costly locations to operate, though when you get on them a better service is produced.

By Mr. Knight:

Q. Mr. Dunton, when an application for an establishment of a television station comes in and when this application is refused I presume the applicant is given reasons why his application is turned down?—A. We give reasons for our recommendations.

Q. I was wondering. When you as the C.B.C. applied to have a publicly owned station set up in Newfoundland what were the reasons which were given to you for the refusal of permission to do so?—A. I think you are aware that all applications for new stations are dealt with by the government as a whole—by the cabinet. Under the Act they have to be. I think the reasons given were not very full.

Q. Did you consider that the reasons you were given were reasonable? The mere fact that you applied must certainly give the committee the impression that you thought the creation of a publicly owned station was justified?—A. I think that is about all I can say. The board made its recommendation after careful consideration.

Q. That is all you want to say.

Mr. FLEMING: A very diplomatic answer.

The WITNESS: Council has full power to do these things, and it decided against the application.

By Mr. Knight:

Q. It has always been against the policy of the C.B.C. to have stations provincially owned or controlled has it not?—A. I think that was established as an overall licensing policy.

Q. In Manitoba, you remember, the early radio station was controlled by the telephone system and when the C.B.C. was created the provincially owned stations had to go out of existence?—A. Yes. We took over the old CKY.

Q. And then, the Saskatchewan government was refused its application. I presume that the reason given was that the policy of the C.B.C. was against that sort of thing.—A. I think that in that case it is something like the television policy, that is, the licensing policy of the government authority.

Q. What has been the experience of the C.B.C. with the provincial set up—let us make it frank—with the provincial government in Newfoundland? Have you found it helpful?—A. I would say we have not had a great deal to do with them, except that naturally our people in Newfoundland would occasionally be putting them on the air. Otherwise we do not have much dealing with them.

Q. You would not be prepared to say that there was no provincial control as such over the present station now?—A. I know nothing about that.

Mr. FLEMING: You are lucky you don't.

By Mr. Knight:

Q. What is the name of this so called private company or organization which has been set up—and I use the word advisedly—to apply and who own this particular station?—A. The Newfoundland Broadcasting Company, Limited. The same company which operates the sound station CJON.

Q. There is a Mr. Jamieson, I think, connected with it?—A. Yes.

Q. I saw a dispatch in a newspaper which made me uneasy about this particular set up. Someone has been whispering across the table here about Mr. Smallwood, and I will mention it out loud. I was wondering what control the government has over that particular set up? I am asking for information.—A. When an application like that comes in we get pretty full information about the shareholders. No members of the government were part of it. In this case we had full information about the shareholders of the company, who are private individuals.

Q. I am not suggesting this is a provincially owned station. But before confederation in Newfoundland I think that such radio as there was in Newfoundland was considered pretty well as an adjunct of the provincial government, and habits die hard, and I was wondering about that.—A. Before confederation there was a commercial station VOCM and a station in St. John's of the Broadcasting Corporation of Newfoundland.

Q. It was called the Newfoundland Broadcasting Commission?—A. The Broadcasting Corporation of Newfoundland, I think. On confederation we took over the BCN with all its assets and since then it has been an integral part of the C.B.C. Since those days CJON has been established as an additional commercial privately owned station.

Q. So far as you know Mr. Dunton—it is hardly fair to ask you about the Transport department—was there any representation or recommendation made by the provincial government in regard to the setting up or granting of this license to this particular organization which is called the Newfoundland Broadcasting Company, Limited?—A. No recommendations were made to us.

Q. The assumption in the article which I read was that whereas it is against national policy to have any provincial interference, ownership or control over radio there has been a suspicion created—and I want either to squash it or verify it—that in fact there is some provincial control over the new television set up in Newfoundland, and the fact that a private station has been set up is more or less a method of getting around the particular regulations which are known to exist. I have no information on this matter myself; I saw this thing in a newspaper and I want to know about it.—A. All I can tell you is that the records before us show that it was an application from a private organization and that all the shares are held by private individuals.

Q. Then would you say that my query should be addressed to the government: why a publicly owned station which has a good deal of control in the matter of advice, at least, as to whether this station should be set up has been unable to get a station where it wanted in Newfoundland and that the government or transport people have seen fit to give it instead to a privately owned station as a competitor of the B.B.C. I suppose you would say my question should be addressed to the government as to the reason for that?—A. I cannot answer it.

Q. I did not expect you to but however I have read the matter, and I would like to get an answer from somewhere and find out if there is anything in this rumor.

The CHAIRMAN: You should ask the government.

By Mr. Studer:

Q. Is it reasonable to assume that after the microwave system is established throughout the country fringe areas which are now being served by other means can avail themselves of that service?—A. Mention has been made of capital costs. Television capital costs may seem high, but the more important and burdening factor is current operating costs. We have been talking about relatively cheap relay transmitters, but to get a program to them by a network they cost a great deal of money if they are not right on an existing network. The best way to answer the question is probably to say this: if we could operate low powered relay transmitters that were on the path of the microwave system we could be able to do that more cheaply than if they were off the path of the system, and those are factors which in the future we shall have to take into account.

Q. The C.B.C. has no interest in the microwave system which is being built up in this country—is that not the case?—A. We have to make agreements with the communication companies.

Q. Would not the lack of financing deter the C.B.C. from building its own microwave system? Is the system able to be used for the telephone service?—A. They are a means of communication, and the same system will be used for many purposes. In the case of the telephone company they will be used for carrying hundreds of telephone circuits. This is a communications job and it seems better that it should be done by communications people. They make a certain charge to us for the use of the facility. But it might be conceivable that there would be some cases where a telephone company did not want to establish a system in a particular area, and where we might find it cheaper to establish our own.

Mr. BOISVERT: There are just one or two questions which I would like to ask Mr. Ouimet. Did you answer Mr. Balcer's question by saying that in Three Rivers reception is not as good as it is in some other districts?

Mr. OUMET: I said that Three Rivers, and other places in the neighbourhood of Three Rivers, are so far away from the existing transmitters in Montreal or Quebec that they are not getting the kind of service which cities of that size, I think, should get, and there is no way of increasing the power in Montreal or in Quebec so that Three Rivers would be well serviced. Of course, if we increased the power in either of those locations it would make some improvement, but still it would be very far from the type of service needed in an area of concentrated population which is highly industrialized and which has a lot of man-made interference. So it is correct to say that the reception there is not very good. As a matter of fact, we would label it "fair to poor" in the terms technically used to describe it, although it is amazing how many people are interested in having reception of that category. But I think the area could be serviced much better.

Mr. BEAUDRY: Going back to Mr. Balcer's suggestion that the C.B.C. might or should organize a transmitter and a station in Three Rivers—should such a thing happen would it not be necessary for the C.B.C. in order to operate at the lowest possible cost to enter commercial operations at Three Rivers as it does elsewhere where it operates a station?

Mr. OUMET: That would depend on the size of the station which it was decided to operate. If it were a fairly large station it might be economic for the area to have some small origination facilities. If we were doing that we would certainly be concerned to have some commercial business which would help carry the operation. On the other hand it might seem advisable to have a relay station supplied from the network, and of course in those circumstances this type of commercial operation would not be possible.

Mr. BEAUDRY: If you did enter the Three Rivers territory, either with a full station or with just a relay station would that not be—this may not be the right word, it may be too strong, but I will use it for lack of a better one—a usurpation of the privileges or rights given to private interest under government policy?

The WITNESS: The present policy as expressed is that the C.B.C. would operate in the six areas spotted regionally across the country, and in all other areas the field would be open to private interests.

Mr. BEAUDRY: If you did go into Three Rivers it would be going against your present concept?

The WITNESS: It is a concept laid down by the licensing authority.

Mr. BEAUDRY: Supposing the C.B.C. did overlook its original position and enter the field in Three Rivers, what would the position of the C.B.C. be if another applicant came along at a later date?

The WITNESS: It would depend on the circumstances.

Mr. BEAUDRY: The C.B.C. would have spent a certain amount of money on building the station in that area; of course, I cannot ask you to comment yourself on what the reaction of the board and the Department of Transport would be if later on another applicant came along and applied for permission to establish a private station.

The WITNESS: At the present time there is a general policy of non-duplication of any stations, whether privately or publicly owned in the country. If that policy still held at the time, the second station would be automatically barred.

Mr. BEAUDRY: So you would be forced into the position which Mr. Fleming was saying you had been liable to find yourselves in Newfoundland—you would have no other alternative but to "forget about" the other applicant.

The WITNESS: It would depend on the situation. Under the present policy the application would not be considered. The committee should keep in mind the question of the shortage of channels, which I have been forgetting. Channels are very short in Quebec. I think the department is still working on this channel for Three Rivers, and it is very doubtful if another one could be found.

Mr. BEAUDRY: If the precedent were established, I assume that there would be many other parts of the country which would come to you with the same request?

The WITNESS: We have already started to get quite a lot of requests from various parts of the country or from people wanting the C.B.C. to start a service in their area.

Mr. BEAUDRY: I suppose that you are leaving the initiative to private interest?

The WITNESS: The only thing we have authorization for is these areas now.

Mr. BEAUDRY: I have another question which deals with certain commercial aspects of television. I cannot find the subject in any of the subparagraphs, so I would like to defer to you, Mr. Chairman, and content myself by advising you that I should like to bring the matter up later.

The CHAIRMAN: Very well, Mr. Beaudry.

Mr. RICHARD (*Ottawa East*): What channel will we have for the French station?

Mr. OUIMET: Channel 9.

Mr. RICHARD (*Ottawa East*): Do you expect that station to operate for as many hours as the English station?

Mr. OUIMET: That is something that is not completely decided. It is not as easy to provide as much material on the French language service as it is in our English language service for the good reason that if we produce the same amount of material in French as we produce in English you can still add to the English service all those things which are easily available—American live programs, for example, and all the supply of American films. In French, we have a supply of French films but there are no American programs in French so that our sources of material are more limited; furthermore we are already using our facilities to the fullest possible extent and for that reason the service on the French network Station CBFT in Montreal, for example, is somewhat less than on the English language station CBMT because of those reasons which I have mentioned. As I say, you can add to the English language service by using American programs, but we cannot do that in the case of the French service.

Mr. RICHARD (*Ottawa East*): Can you give me an estimate of the total cost of the two Ottawa television stations, including the construction of the studios?

Mr. OUIMET: We can give you that information in a minute, if you will allow us to check the records. I take it that question will include the cost of the land and everything.

Mr. BALCER: A supplementary question to the question that Mr. Beaudry has asked. Do you consider that it is possible for a private television station to make a living when it is squeezed between two large cities such as Montreal and Quebec. On Three Rivers, for instance, if we have a private station like Mr. Beaudry was mentioning, a private station would not be able to operate there with the two signals coming in from Montreal?

The WITNESS: I could make one or two comments on that. In the first place, the station would presumably be carrying a great many of the same programs as Montreal and Quebec because it would have available the French language national service. Another comment is that we find by experience that viewers tend to move very much to a better signal by habit. My third comment would be that I cannot give a definite answer to your question because it would depend on a commercial estimate of the possibilities.

By Mr. Beaudry:

Q. Mr. Dunton, how many private radio stations are there in the Three Rivers area, do you know?—A. In what area?

Q. The Three Rivers area.—A. Private sound stations?

Q. Yes?—A. There are two in the area itself, right in Three Rivers, with one at Sorel and at Shawinigan Falls.

Mr. BOISVERT: Victoriaville?

By Mr. Beaudry:

Q. There are two in Three Rivers and one in Shawinigan Falls. Does that roughly constitute the area?—A. It depends on what you are taking as the area. I do not know to what extent they are considered the same area.

Q. Would you care to indicate or do you recall when the stations came into power?—A. The first station in Three Rivers goes back many years. The second station goes back about two years or a year and a half. The station in Shawinigan Falls goes back roughly seven or eight years.

Q. In other words, in Three Rivers proper a second station has found it possible to come in within the last two years or so in spite of the fact that a previous station had been established for some 20-odd years?—A. Yes.

Q. And in the fringe area of Shawinigan Falls I assume it was found possible for a station to come into being within the last five or six years. There seems to be no doubt of the commercial power in Three Rivers as indicated by sound progress?—A. We have no information about how they are doing commercially.

The CHAIRMAN: Mr. Ouimet is ready to answer Mr. Richard's question.

Mr. OUMET: The cost of both stations in Ottawa is \$1,700,000 or a little more. The station is not completed yet, but it is in the neighbourhood of that figure.

Mr. RICHARD (*Ottawa East*): Could you give a breakdown of that figure?

Mr. OUMET: We could prepare that but I do not have it with me. Would you tell me what sort of breakdown you want?

Mr. RICHARD (*Ottawa East*): The cost of the land, the building, the transmitter and the tower.

Mr. OUMET: Yes.

Mr. BALZER: Mr. Ouimet, that would be about fifteen or twenty times more than the cost of installing a low-power transmitter in Three Rivers.

Mr. OUMET: Yes. This is an originating point, and a production point for two stations.

By Mr. Boisvert:

Q. When you answered Mr. Beaudry, you said that the channels were very limited?—A. Yes, especially in the more crowded areas of southern Ontario and Quebec.

Q. Is that not due to the international convention regulating radio broadcasting and telecasting?—A. Yes, there are only 12 V.H.F. channels which can be used, and they have to be allocated among different areas, and within 250 miles of the border it has to be by agreement with the United States.

By Mr. Fleming:

Q. That leads me to ask about the channels assigned to Toronto. Originally there were three V.H.F. channels assigned to Toronto, numbers 6, 9 and 11?—A. Yes.

Q. What part has the C.B.C. had in the shuffling of these since?—A. The allocation of the channels is not our responsibility.

Q. You occupy one of these; I think it is number 9, is it not?—A. Yes.

Q. You occupy channel 9 with station CBLT and one channel has gone elsewhere in the meantime?—A. Yes, it was moved to the Kitchener area.

Q. I take it you had nothing to do with that. It was a policy decided on the part of the government and indicated to you through the Department of Transport?—A. No, applications come to the Department of Transport. They

deal with the technical side, and the applicant has to apply for a specific channel. It is useless to apply unless the channel is allocated, and by the time we get an application all those matters have been settled.

Q. Tell us what happened to the other two channels, numbers 6 and 11, since then?—A. I can only talk about it second-hand or by hearsay. One channel was allocated to the Kitchener area and an application came before us for the use of that channel, in the general Kitchener area, and as far as I know, the other channel is still available.

Mr. OUIMET: I believe that Mr. Richardson could add something to this.

Mr. RICHARDSON: The record I have is that channel 11 from Toronto went to Hamilton, and the channel which was previously in Hamilton, number 13, went to Kitchener, and there is still channel 6 left in Toronto.

By Mr. Fleming:

Q. That is the only one that is left and that is abiding the possible modification in government policy in regard to licensing more than one station in one area, is that correct?—A. Yes.

Q. But I want to be quite clear on this point. The board of governors had nothing to do with this shuffling. It was a decision of government? That represents government policy?—A. Yes.

Q. And you simply dealt with the application for channels 11 and 13 on a reference from the Department of Transport?—A. Yes.

By Mr. Beaudry:

Q. You have stated that there are 12 V.H.F. channels allocated. Have we gone into the possibility of dealing on ultra high frequency channels?—A. Yes, the allocation plan covers the allocation of ultra high frequencies across the country.

Q. From your experience, has the allocation of ultra high frequency channels in the United States proven successful to the operators?—A. We hear from the United States of a great many operators of U.H.F. channels being in difficulty.

Q. I say that because it has come to my attention that many are on the brink of ceasing operation.—A. Particularly where there are also V.H.F. stations operating.

Q. Would you say that at this stage U.H.F. is something not to be thought of seriously commercially?—A. I would put it this way, we have not received any applications from people who have shown any interest in a U.H.F. operation in Canada.

By Mr. Carter:

Q. I was just wondering which one of the 13 is not V.H.F. If there are only 12 V.H.F. frequencies— —A. One was dropped.

Mr. OUIMET: There is no number one. There was a number one originally, but later it was dropped.

Mr. GOODE: Mr. Chairman; I want to ask Mr. Dunton some questions this afternoon regarding the advertising arrangements on CBUT, but until that time, could I move that we adjourn?

Mr. BOISVERT: Seconded.

Mr. FLEMING: It is a little early. I would like to ask Mr. Ouimet some other questions. It is only 20 to one.

The CHAIRMAN: Is the committee agreeable to sitting longer?

Mr. FLEMING: We never rise earlier than one o'clock.

Mr. GOODE: I think if Mr. Fleming has some questions to ask, he should be allowed to do so.

The CHAIRMAN: Yes.

Mr. FLEMING: Mr. Ouimet, you were invited to go to Australia a year ago I think to advise out there in regard to the setup of their television system in the light of your experience here?

Mr. OUMET: That is correct. It was actually last December, and I was there for about 9 or 10 days.

Mr. FLEMING: I think we should regard that as a compliment to the C.B.C. and to you personally, Mr. Ouimet. Did you give evidence as a witness, or was it technical advice that you were giving to the officials there?

Mr. OUMET: I was invited by the Australian Broadcasting Commission which is the national operating body in Australia to consult with them—I would rather not use the word “advise”—about the general problem of television in Australia, not purely the technical problems and engineering problems, but also the economics of television, the impact of television, and the overall picture of television.

Mr. FLEMING: Were you consulted in regard to the basis of licensing or the vexed problem of overall control?

Mr. OUMET: I do not remember whether or not I was questioned on any such specific subjects, but I know the only information I gave was as to how our system was working here in Canada.

Mr. FLEMING: I take it as to what followed in the way of their system—we had better refer to the system—the system had not been completely set up when you left?

Mr. OUMET: When I was there there was actually nothing going on in television. I believe there was only a decision by the government that television was going to be given the “go ahead” and that the A.B.C. (the Australian Broadcasting Commission) should stand prepared to make its recommendations, and also that some private stations’ applications would be heard at a hearing which would take place two months later. I believe it took place in February. That was all that was decided at the time. I was consulted by the Australian Broadcasting Commission and also met the Australian Board of Control and the postmaster general. I cannot say to what extent all my conversations were official ones, but I was asked many questions.

Mr. GOODE: An obvious question is going to be asked; your expenses were paid by the Australian authorities?

Mr. OUMET: Yes, my expenses were paid.

Mr. ROBICHAUD: Does the A.B.C. operate its own television station?

Mr. OUMET: The A.B.C. in radio does not operate its own station technically. The technical equipment is operated by the post office department as it is in some European countries, but I gather that for television they were considering changing that practice and that they would operate their own studio production centers although the transmitters would probably still be operated by the post office department.

Mr. ROBICHAUD: Have they anything to do with the granting of licenses to private stations, either TV or radio?

Mr. OUMET: I do not believe that the A.B.C. has.

Mr. FLEMING: There are private TV stations?

Mr. OUMET: Not yet.

Mr. FLEMING: But there will be? The policy contemplates private TV stations?

Mr. OUIMET: That is correct. May I complete my answer? They are concentrating on two centers, Sydney and Melbourne. When I was there, those were the only centers for which plans were being made as far as I could see. There might have been other planning, but there was no decision and no questions were asked regarding the rest. They were endeavouring to give service to those two large cities.

Mr. FLEMING: Is the broadcasting commission there confining itself to the programing?

Mr. OUIMET: The programing and the operating.

Mr. FLEMING: Along with the private stations?

Mr. OUIMET: Yes. It is mixed system of private stations and publicly owned stations—not quite the same as we have here, but there are private stations, and there is also the national system.

Mr. FLEMING: In the national system is there any difference drawn between the body that does the licensing and the body that does the operating?

Mr. OUIMET: Yes there is.

Mr. FLEMING: You have one body doing the licensing and the other body carrying on the publicly owned operations?

Mr. OUIMET: That is correct.

Mr. FLEMING: And then of course you have the private stations, and they like the national system are subject to the regulation, control and licensing by this regulatory body?

The WITNESS: If I may interject at this point, I think the licensing body is the postmaster general.

Mr. OUIMET: That is right. The board is a recommending body.

Mr. FLEMING: I wanted to be quite clear about that. They have one body dealing with the licensing and overall control, and they have the publicly owned operating system and they have the privately owned stations, and the regulatory body which, as you point out, includes the advisory body plus the postmaster general and exercises control alike over the publicly owned system and the private stations?

Mr. OUIMET: That is correct.

The CHAIRMAN: Shall we now consider the motion to adjourn?

Some Hon. MEMBERS: Agreed.

The CHAIRMAN: Do you have some information to distribute to the committee, Mr. Dunton?

The WITNESS: Yes.

The CHAIRMAN: Would you like to distribute the information now?

The WITNESS: Yes.

Mr. FLEMING: It would give us an opportunity to examine the information during the lunch period.

The WITNESS: I wish to distribute television network rate cards which were asked for, and also a return showing the net proceeds from different types of sample commercial television programs both American and Canadian. I also wish to distribute a recapitulation of the number of employees on the staff by divisions as at March 31, 1954 and 1953. This information was, I believe, requested by Mr. Fleming.

Mr. FLEMING: It was 1952 and 1953?

The WITNESS: It is March 31, 1953 and 1954. You already have the information concerning March 31, 1955.

AFTERNOON SESSION

May 5, 1955.

3.30 p.m.

The CHAIRMAN: Order, gentlemen, we have a quorum.

Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, recalled:

Mr. GOODE: Mr. Chairman, as I intimated this morning, I would like to ask Mr. Dunton a few questions all related to CBUT in Vancouver. May I preface my remarks to the fact that a considerable amount of money is being spent by Vancouver advertisers in the United States over television stations in Bellingham and Seattle, mostly in Bellingham? The amount of money, I am informed, is something like \$140,000 a year, that could or could not be true.

By Mr. Goode:

Q. What I would like to know is how CBUT handles their advertising for sponsors? Does the sponsor go to the station and ask for time on the station or do they have to go through an agency before time is allotted to them?—

A. The general method in broadcasting business is through an agency, there is nothing startling in a local advertiser coming direct, but, as you know, he saves no money, the agency commission comes off the gross amount in any case.

Q. I do not mean an agency working in connection with the sponsor, but do the C.B.C. in Vancouver handle their own advertising affairs or are they handled by an agency?—A. It is done by our own people.

Q. What is the situation in regard to CBUT, are they refusing sponsors now? Before you answer that, let me say that information has come to me that CBUT are refusing sponsors.—A. I think the situation arose with the broadcasting stations, both television and sound, it is very likely that some sponsors have not been accommodated with what they want at a particular time or a particular program, but in general CBUT can take some more business. That does not say there may not have been some sponsors who could not get what they wanted on the station.

Q. No, I got the information in regard to when these times are available; have you any of your officials here who can tell me that? You may be telling me that the time is available from 3 o'clock to 4 o'clock in the afternoon, which would not be too valuable to some of them, but what about the good hours during the evening, are they full?—A. They are fairly well occupied with programs now, but again I will have to check over on the detail to see if there were some that could be dropped.

Q: Between 5 o'clock in the evening and 10 o'clock in the evening there is sponsorship if the sponsors are available?—A. We will have to check, I think that is right.

Q. If that is true why is a large amount of British Columbia money going to the United States stations? Are the rates cheaper?—A. I do not know what Bellingham does, or why in some cases some advertisers are using. There may be a relation to lower rates or a particular job of selling they wish to do. I am not in general familiar with what is being carried on Bellingham stations.

Q. Within the next few days could you let the committee know the rate structure of KVOS in comparison with CBUT in Vancouver?—A. We may be able to do that, we do not run KVOS.

Q. The point I am making is, we are losing a lot of Canadian money in the Vancouver area that I think should stay in Vancouver, and if the rates are favourable between the two stations I would like to know why Canadian sponsors prefer going to the United States to put their programs on. For instance, a large wholesale grocery store in my riding now has to go to KVOS to get an extra program. He should be able to tell you why that is. I am a great believer in keeping Canadian money in Canada and in this instance we are not able to do it in Vancouver.—A. It may also have to do with the program content, sometimes sponsors wish to sponsor a program which we feel does not fit into the balance for the public. If they can do it more cheaply in the United States they do it.

Q. Can they in fact do it cheaper on an American station? Would you like to consult with Mr. Caple?—A. We do not know; it is the impression that the Bellingham rates are lower.

Mr. KNIGHT: There is a bit of reciprocity in that, we have stations along the southern Saskatchewan line in the United States, in North Dakota, and people there put all programs through Glasgow, Montana.

Mr. GOODE: Have you a television station?

Mr. KNIGHT: There is one in Regina.

By Mr. Goode:

Q. Saskatchewan will have to look after itself, it is my job to do my duty in creating prosperity in British Columbia and if we can keep Canadian television money in British Columbia that is my job. My information is that large sums of money are going to Bellingham and to check that, during the time I was home at Easter I checked KVOS; which comes into my home, and practically all night was Canadian sponsored programs. I am sure the British Columbia men will agree.—A. We do know there are some Canadian programs.

Q. Let me ask you this: would it not be better to have a private station in British Columbia to take care of that instead of letting it go to the United States?—A. I think that raises the whole question of the development and maintenance of the national system.

Mr. HANSELL: Is there not this point to consider, that perhaps the sponsor that may be in Canada may be seeking the American market?

Mr. GOODE: May I answer that? This is a matter of Vancouver used cars and selling Vancouver tea and coffee over an American station beaming into Vancouver. They are not selling used cars in the United States and they are certainly not selling Canadian tea and coffee because you are quite aware that the excise tax is not favourable.

Mr. HANSELL: All I am saying is the listening audience in Bellingham will be an American audience largely.

Mr. GOODE: That is just the point, the American audience has no value because the American audience could not buy. The programs I am speaking about are beamed only to Canada.

Mr. HANSELL: Then, the Vancouver people must listen to Bellingham much more readily than to the Canadian station.

Mr. GOODE: I would not say more readily because I think CBUT is doing a good job, but I am worried about this. The point is, I am of the opinion and I think Mr. Dunton will not argue too much, that sponsors are being turned away from CBVT in Vancouver for a reason.

By Mr. Fleming:

Q. Speaking on the same point of sponsorship, Mr. Dunton, no doubt you are aware that, at least, the Buffalo stations are selling advertising time to sponsors on the basis of reaching the Toronto market?—A. I know they have some Canadian business, I assume they are selling.

Q. They are out soliciting business in the Toronto area for the Buffalo stations.—A. That is very likely true.

Q. However, in the matter of sponsorship of your own programs on CBLT, can you tell us what is your current experience with the sponsorship of these programs, whether you are looking for the revenue from sponsorship?—A. Well, on the network as a whole and on all our own stations we carry different kinds of business. We have, as you know, some programs from American networks; we also have some programs material brought in from outside Canada on a spot basis. Then, we have Canadian programs produced in Canada, which we produce ourselves. Our policy is to try and have an over-all balance in our program pattern and, of course, in Canadian productions, also to have a balance; to produce different kinds of programs for the Canadian public, done by Canadians. As you know, television is expensive and we need money, and we sell to Canadian advertisers the right to associate their names with some of these programs which we produce ourselves.

Q. That is the practice you are seeking to promote, I believe, are you not?—A. Yes, and it has been quite successful.

Q. It is the revenue that you derive from a sponsor in a case of that kind, you speak about associating his name with the program, I take it that is another way of saying sponsoring?—A. Yes.

Q. It is the revenue you receive from the sponsor in a case of that kind but does that cover the cost of production?—A. The way it works is this: contrary to some things that have been said in other places, all advertisers pay according to the same rate card.

Q. That is the rate card you handed us this morning?—A. Yes, there are also local rate cards for every individual station for non-network programs.

Q. You were about to say that all advertisers were treated alike?—A. Yes, they pay for station and network time, they pay according to the card.

Q. Regardless of the program?—A. Yes.

Q. Every program is treated alike according to the card rate?—A. Yes, contrary to what has been said in other places. If it is an American network program we do not know how the program costs have been covered, it may be by the parent company in the States or that sort of thing. If it is imported on film the advertiser usually offers it to us and we can accept it or not. We do not know what it costs exactly. If it is a Canadian program produced by us which he wishes to associate with, we put a price for his association, or sponsorship, of that program. We continue to produce it as we were doing before and we put a price on it and he has to pay that price in addition to the station and network time charges.

Q. Does that price cover the cost of production?—A. In most cases, no.

Q. What fraction of that cost of production does that charge to the sponsor cover?—A. In studio productions or anything like that, this year we have been getting 50 per cent to 60 per cent of the full cost to us, on a full cost-accounting basis of the program.

Q. Is that an over-all average?—A. Yes, and it has run fairly consistently through the programs. We cover them pretty well.

Q. Would the range be between 50 per cent and 60 per cent on all programs?—A. Yes, in some individual cases, for some programs in a series it may not be that amount because we might want to improve that series or improve some items, but that range would cover it pretty well.

Q. Well, in that case the advertiser, because, of course, he is sponsoring it in the interests of advertising his company or product, is getting the benefit of the subsidy. It is true that you are seeking to maintain your program and you produce the program and you have control to that extent, but to the extent that that individual is being featured as the sponsor he is really getting the benefit of advertising on a program for which he is paying about half or a little more than half?—A. Yes, but we do not regard it as subsidizing at all because in doing so—

Q. You regard it as salvage?—A. We are doing much better than if we were producing that program and carrying it on the network without getting half of it paid. And the sponsor in general is paying us a good deal more than it would cost him to sponsor a much more expensive American program. If I might give an example; say we have a \$10,000 show; we get the benefit from the sale of the network time, then we get about \$5,000 in addition from the sponsor. The sponsor is paying \$5,000 extra in connection with this hour show; but very likely from the United States he could get a show that costs \$50,000—get the Canadian rights—for \$1,000 or \$2,000. That is the kind of differential in commercial arithmetic that Canada is working against all the time: the relatively low cost of importing their expensively produced material against the much higher cost of producing much more modest things in Canada.

Q. I think we understand that feature but, in gist, what you are aiming to do here is to raise what revenue you can from programs that you are producing anyway and as things stand now your revenue runs between 50 per cent and 60 per cent of the cost of production?—A. The total return to the corporation would be better because the 50 per cent to 60 per cent is the direct charge in connection with the program, and on top of that we would get our net return from the station and network time, so we are recovering in cash more than the 50 per cent to 60 per cent, although still, in most cases, not the full amount. As you see there are two different charges, for station time, and in connection with the program itself.

Q. What are you going to do in that respect? Are you going to derive more revenue from the sponsorships?—A. I would say our general policy, put in a crude way, is to charge all the traffic will bear. To put it another way, we want to get all the money we can under the economic conditions prevailing. But in doing that there are several things we have to face: first, the cost of the Canadian network as a whole is rising very rapidly as new stations are added, mostly private stations these days, and then, the rates in those stations are going up. The cost to the sponsor is a little over \$6,000 gross for an hour and that will go up again this summer, and will be climbing pretty high. We want that revenue for ourselves and our affiliates. At the same time we want to get more recovery in relation to the program production. We would like to do both, but it will be a question of our management trying to balance the possibilities of where we can best get the revenue. We would naturally like to recover the full 100 per cent on all Canadian programs, but there seems to be very little chance of that because of the high cost to the sponsor when you consider the cost of the network and the cost of producing the program, and then when you relate that cost to the number of people in Canada who are served, the whole Canadian market, and when you compare that with the much cheaper cost of bringing in something pretty lavish from the United States.

Q. Does the 50 per cent to 60 per cent you have now represent any increase over say a year and a half ago?—A. Yes, we are doing rather better. The first year of operation things were starting and we are anxious to get them together more or less as best we could. I do not know how the average would have been, it would have been rather lower that year. Two things happened this

year, we are producing better and much more expensive programs; we are getting a higher percentage, and much more cash from sponsors in general as contributions to Canadian production.

Q. Well now, are you seeking sponsorship and, therefore, commercial revenue from all your programs?—A. No, so far—

Q. What particular programs or what kind of programs are you now seeking sponsors, and therefore commercial revenue, for?—A. First of all—news. It has been a long term policy of the corporation not to have news sponsored or, so far, programs of a news type such as News Roundup or an equivalent of that program, or a program such as News Magazine on television. In general, this applies to news programs, opinion programs, religious programs, and of course to political programs. That is pretty well the list.

Hon. Mr. McCANN: Press Conferences are not sponsored?

The WITNESS: No. That is counted as opinion.

By Mr. Fleming:

Q. I take it that on all the other programs you are trying to derive as much commercial profit as the traffic will bear?—A. Yes, but while we do that, we do not conceive it to be our job primarily to produce always the kind of programs which will sell best. We do try to produce a number of light programs which we think will attract sponsors more, but we feel there should be other kinds of programs broadcast, although they may not interest sponsors as much.

Q. It is for that reason that I do not understand why your bracket or variation should have such a narrow range, because there is quite a difference in the programs from the point of view of the sponsorship that these programs would attract. But the range is somewhere between 50 and 60, which is quite a narrow range.—A. That is the case for the year given, but I would think that in other years there will very likely be a great deal more variation as we and our advertisers gain experience.

Mr. HANSELL: Who sets the rates? Are they set by the C.B.C.?

The WITNESS: By our management, but the rates for the private stations are set after consultation with them, and in practice they are worked according to scales agreed with the private stations.

By Mr. Knight:

Q. What are the factors which determine those rates? One would think that the power of a station has something to do with it. But I see one station here with a power of 100,000 watts, and another with a power of 19,000 watts, and the rates charged are the same.—A. In television it depends almost entirely on the available audience.

Q. Not the potential viewers, but the people who actually own sets?—A. That is right.

By Mr. Beaudry:

Q. You said in answer to Mr. Fleming that at this time some advertisers had got—I believe you used the term—to be “subsidized”.—A. I did not call it a subsidy.

Q. Well, Mr. Fleming did.—A. We say that they are helping to subsidize us.

Q. It is a very fine distinction. In any case the sponsor only pays between 50 and 60 per cent of the actual production cost of a program. My question now is: is this quantum of 50 or 60 what I would call an incidental one or is it likely to be a permanent one? I will explain what I mean. At such time

as the television audiences doubled and tripled in Canada, the production cost of the programs will remain the same—or will it?—A. In general, I am sure we will have to count on increases through the years as television develops generally in the country.

Q. If you are counting on increases you are counting on outside factors which we need not take into consideration at this time. I will word my question differently. If, under prevailing conditions, the television audiences doubled or tripled, would you not be in a position over the next five years to exact from the advertiser more than this 50 or 60 per cent of what you are paying out for production costs?—A. We hope very much to get that percentage up. Several things will weigh in that matter, but we shall get it up to the extent the traffic will bear. What the traffic will bear will be affected by what the whole network costs, and it will also be affected by the size and expense of shows on the scale that sponsors are interested in and that the public seem to want. It is impossible to say just when we will get to this stage of getting all our production costs back. We are trying to get the rates higher. We, and the Canadian television system as a whole, always have to face the fact that as far as we can see it will be generally much cheaper to import material than to produce it in Canada, and that mere arithmetic will tend to influence sponsors in this direction as costs go up in Canada. If he is sponsoring a Canadian show now and finding it too expensive, he may naturally look for a way of cutting his costs and of bringing something in at the cheaper price instead of paying over 50 per cent of the cost of a Canadian production.

Q. True. We would only become a dump for American products.—A. That is why we are working in the way we are—to get such support as we can for Canadian productions.

Q. Was it not the experience of the American networks—I will not use the word “subsidize”—to spend a great deal more money on production than they can possibly recover from sponsors bearing in mind the number of receiving sets owned in the United States?—A. My information is that quite a lot of American network shows, particularly good ones, at the present time do not recover their costs from the sponsors.

Q. Did that not apply more so five years ago at the inception of television?—A. It is hard to tell because one does not know the exact secrets of a network. I think it was probably more so relatively, but I believe if one knew all the secrets one would still find some very large sums in respect of some shows which are not being covered by charges to the sponsor.

Q. Broadly speaking would you say that there is hope that in the future the 50-60 per cent now being recovered from sponsors toward production costs of programs produced by you will increase to a higher proportion with the increase in the number of receiving sets in the country?—A. We certainly hope that it will increase and we shall be trying to see that it does increase.

Q. Is it an illogical thing to hope for?—A. It will be easier as the number of sets grows, but there would still be this pressure of costs on sponsors against paying the full amount in connection with Canadian production.

Q. Would you look forward to this situation; that the C.B.C. would forever—and I hope not—contribute part of the production cost for all sponsored and commercial Canadian programs?—A. We are not doing that now. We are not doing it in respect to sports broadcasts, for instance. I cannot say when the time will come when we shall be able to recover all, or a higher proportion of costs in respect of the other programs, especially in view of our feeling that we ought to have certain shows on the air anyway, as I explained earlier.

By Mr. Monteith:

Q. I think you said that some of these programs in the United States did not recover the cost of production from the sponsors.—A. I know that is the case.

Q. These programs are all produced by private enterprise, are they not?—A. Yes.

Q. How do they make up the deficiency—they are not operating at a loss?—A. They make it up in their general operations, although I may point out that there have been some big general losses over the years in the United States. These are mostly big corporations, and they would make up specific deficits in the course of their general operations.

Q. In other words, they might be considered as advertising?—A. Possibly. It is not always understood that even in the United States the whole network operation in television is not the financially rewarding one. A network still makes most of its profit from its own operated station, and not in connection with their network business as a whole.

By Mr. Goode:

Q. Do you know how many sets are on the lower mainland of British Columbia?—A. I think we could get that answer for you.

Q. I would like to know the number who can receive CBUT and the number of those who cannot?—A. May we leave that a little while, while we see whether we have the information.

By Mr. Beaudry:

Q. At the same time as you are looking for that will you look up the numbers for the province of Quebec?—A. The figures based on the reports of the Radio and Television Manufacturers Association show that in March 1955 the number would be just over 100,000 in British Columbia, and I think most of those would be on the lower mainland and Vancouver Island, especially the southern part.

By Mr. Goode:

Q. Does CBUT reach them all?—A. It would certainly reach a great part of those people. Practically all of them. We cannot tell exactly, but it would be a very high percentage.

Q. Would it be fair to say there are about \$25 million invested in television sets in British Columbia?—A. I would say more than that—television sets and equipment, about \$40 million.

Mr. BEAUDRY: Can I have the figures now for the province of Quebec?

Mr. HANSELL: Since one or two members of the committee want special figures for their particular areas, I wonder if we can have the document containing them put on the record?

The CHAIRMAN: What figures do you want Mr. Hansell; Mr. Beaudry asked for the figures with respect to Quebec.

Mr. HANSELL: Several members want figures for various areas. It might be interesting to have figures for the whole of Canada on the record.

The WITNESS: One of our departments prepares a breakdown of the figures based on the manufacturers figures. We could bring these up to date and make them available if the committee wishes.

The CHAIRMAN: That will be for next Thursday.

The WITNESS: We cannot track the figures down in detail. We have them for pretty broad areas.

Mr. HANSELL: Mr. Beaudry informs me that there is a parliamentary return on that subject.

The CHAIRMAN: In respect of this year or last year?

Mr. BEAUDRY: Up to 1954. It was a question I asked in the House two months ago.

Mr. HANSELL: We could have that on the record of the radio committee anyway.

The CHAIRMAN: Mr. Beaudry, can you put the question into the record—the question you put in the House? Would you table it in the record of the committee, if it is complete?

Mr. BEAUDRY: It is only complete up to 1954. The question was: how many television receiving sets were sold during each year 1950, 1951, 1952, 1953 and 1954—we could add the year 1955—in each of the areas served by television stations.

The CHAIRMAN: You could add the year 1955, and have the information as for the other years.

The WITNESS: These figures of ours are broken down by areas. They are brought up to March of this year.

The CHAIRMAN: Is it agreed that the figures be put in the record?

Agreed.

Mr. BEAUDRY: May I never on earth have my verbal answer as to the figures in the province of Quebec?

The WITNESS: Just over 400,000 in the province of Quebec.

By Mr. Goode:

Q. We have heard a lot about polls in regard to the listening audience of radio. Does such a thing exist with regard to television.—A. Oh yes, there are commercial organizations which have such services.

Q. Is that done with regard to British Columbia?—A. Yes.

Q. I wonder if it is possible to get a breakdown of the listening audience—as to the size of the listening audience...—A. We have always hesitated to produce documents which have been given to us in confidence by other people. We would be glad, if you wish to ask such questions, to give you our impression taken from that material and what it indicates. I am just doubtful whether we should produce other people's records.

Mr. BEAUDRY: I think it was two weeks ago that it was decided by the committee that we could not have some figures from surveys.

The WITNESS: In general the position seems to be that in the whole lower mainland area CBUT is way in the lead in viewing.

By Mr. Goode:

Q. This information has been given to the public before. I remember quite well the poll being given to the radio committee last year with regard to the listening audience.—A. My memory is that you produced it.

Q. No. I had it produced when the independent people were here. Either Mr. Rae or Mr. Elphicke produced it for me.

The CHAIRMAN: In what year was that, Mr. Goode?

Mr. GOODE: When did the committee last meet?

The CHAIRMAN: In 1953.

Mr. GOODE: Then that was the year it was produced. I have it on my files upstairs now. I would accept Mr. Dunton's impression of the poll, but I wonder if that would be fair to the poll people.

The WITNESS: There is no great secret about this. We buy services and they are for our confidential use, and we do not like producing it, that is all.

By Mr. Goode:

Q. If I write to the poll people in British Columbia they would let me have it?—A. They might, but as a courtesy. Normally they charge for it, and that is how they make their living.

Q. In this case it would be a courtesy because I would not pay for it. What is your impression of the poll with regard to television in British Columbia?—A. We know that CBUT is well in the lead with an average of between 50 and 55 per cent of the average viewing.

Q. Would you care to comment on the poll viewing with regard to CBUT on one hand and the total United States stations on the other, which would be rather a fair comparison?—A. I say that CBUT has been running at 50 to 55 per cent against all the combined United States stations which are available to viewers there.

Q. I am pleased to hear that. I can say this: that though some of my remarks may seem a little critical I do not know any station which produces better television than CBUT, taking the programs over the hours. You can quite favourably take our program Almanac on CBUT and bring it to the east coast, because the program in the east is certainly not in its class.—A. I think that will be reported through the C.B.C. organization.

Q. I hope it will because this is a first class program.

By Mr. Dinsdale:

Q. On this matter of programming, do the same regulations apply in the case of television as apply for radio?—A. No. The situation is that there are formal regulations for sound broadcasting in effect. In television we and the private stations concerned thought that it was a new thing that we had to gain some experience, so that in effect there is a sort of gentlemen's agreement at the present moment that stations will observe the spirit of the present regulations with regard to sound broadcasting. We expect very soon now to introduce a set of television regulations which will be very closely parallel to the sound regulations. There will be an opportunity for public hearings and representations.

Q. As you have indicated there is no formal statement of the rules?—A. No.

Q. With regard to programming what is the required schedule for television programs on private stations as to the local content of their programs and the network content?—A. There is no required minimum for network time, and no required schedule. We have a national service available which is offered to private affiliates and in general they have taken a very large proportion of it. They have requested more rather than asked to be relieved of carrying some of it. A good deal of that national service has to be carried at proper set times so that the public may know the pattern of television broadcasting, and to that extent the operation of the network is inducing some rigidity into private station operations, but apart from their natural commitment as network affiliates, the private stations are free to do their own programming.

Q. With regard to revenues from sponsored programs—perhaps this is a hypothetical question: if a local private station could get a local sponsor who had a manufacturing firm—an industry—which had national ramifications, could that station originate a program from their station and derive a revenue from such a sponsored program?—A. Certainly, provided they had the facilities for producing the program.

Q. Its telecasting would be limited however to the locality in which the station was situated?—A. Yes.

Q. They could not release any locally sponsored program to the network?—A. That could perfectly well develop. It has not done so so far but it might. We have always hoped that there will be contributions from privately owned and affiliated stations as well as from the C.B.C. stations.

By Mr. Reinke:

Q. Are the private stations required to reserve certain times for network broadcasts in the same manner as the sound stations have to with regard to their programs?—A. In television we have not reached a stage of such rigidity. We have all been too busy working together to a large extent, to get down to rigid considerations, what you might call reserved time.—Following discussions with the stations quite recently we shall probably get a more definite pattern for next year in which the network services will be confined for the most part to one part of the evening and affiliates will be more free during the rest of the time to use their own material, but it is not so much a question of reserved time—it is more a question of getting order into the general network pattern.

Q. In the case of the C.B.C. News which goes over CKTB in Hamilton, it is of their own volition that they take that program?—A. On the question of national news we would expect a station to carry one of our television news broadcasts a day and I have never heard of a station objecting to doing that. They all seem glad to carry it.

Q. You do not foresee that they might?—A. With television it has not been so much a question of our forcing them to do things, but a question of our jointly discussing our problems and trying to find a way in which we can best do things together.

By Mr. Richard (Ottawa East):

Q. I suppose it is fair to say that if the private stations did not have the facilities from the C.B.C. they would hardly have any programs at all?—A. That would vary a great deal with the circumstances. But the circumstances which exist in Canada, especially in the case of a small area, are very different from the circumstances which exist in the United States. Here there is under our general policy, a basic program service, and that is a good start for anyone who is running a television station; and with the basic program he is sure of at least getting some revenue. In addition to that he can carry on other programming of his own.

By Mr. Dinsdale:

Q. Is there any restriction on the use of film programs by local private stations?—A. No, that is what most of their programming consists of.

Q. What access would they have to kinescopic films other than those released by the C.B.C.—can they use films from American sources?—A. They can and do a great deal. That is what most of their non-network programming consists of, except for small originations of local types of program. They have perfectly free access to any programs which the owner may wish to make available on films.

Q. Is there any censorship on the part of the C.B.C. of the type of film shown?—A. We have very general regulations with regard to sound broadcasting, and we have regulations parallel to these contemplated to television, but there is no general regulation as to censorship.

Q. Are local stations required to keep kinescopic records of all their programs the same way as sound broadcasters are required to keep manuscript records?—A. They are expected to be able to make available scripts or recordings of programs which they have carried.

Q. It would not be necessary to record them visually?—A. The audial record is particularly wanted. The idea is not to make anything too complicated. If it is a show that has been circulated all over Canada we have to know where the original can be obtained which will be satisfactory.

Q. Does that apply to programs originating locally?—A. They are expected to keep some form of record of what has been done, as we do.

Q. Not necessarily a kinescopic record?—A. No. No private station can make kinescope recordings in this country. It calls for very expensive equipment.

The CHAIRMAN: Are there any more questions on this? If not we shall take the subparagraph on television news—page 31 of the report.

By Mr. Goode:

Q. I notice that the C.B.C. are taking some congratulations to themselves regarding the coronation telecasts. I am not going to go into the British Columbia set up again, but there we got the program from an American station and I do hope that will not happen again, and that this microwave system will come into being so that there will be no repetition of those circumstances.—A. You received it from Bellingham?

Q. From Bellingham, I think.—A. It was we who got it to Bellingham.

Q. We received it before you put it on.—A. CBUT was not operating.

Q. I placed ten television sets in a school so that the children could see the ceremony and we had to get it from Bellingham.—A. And we got it to Bellingham.

Q. Was there any reason why we could not get it from our station?—A. Our station was not operating. We got it to Bellingham, I think a day after the coronation.

Q. Are you positive that CBUT was not operating when the coronation was shown a second time?—A. I don't know about a second time, but I think we might get a little credit for having sent that to this American station so that the population could see the program when our local station was not yet operating.

By Mr. Dinsdale:

Q. Does the Marilyn Bell swim come under news or under actuality?—A. It would be under Sports News.

Mr. GOODE: The public of British Columbia do not quite agree with that, but I will not pursue it too far.

The CHAIRMAN: Any other questions on "News"?

By Mr. Dinsdale:

Q. Would an item like the Marilyn Bell swim come under news or sports?—A. Actuality, I think.

Q. I asked this question before and I was referred to— —A. It is not a very happy story. You remember the Marilyn Bell thing developed very quickly in Toronto. Our television people sent out a film camera crew to get shots of her in the water and that sort of thing. I have forgotten what happened to the camera, anyway, one of those technical things that can sometimes happen did happen, and that film material was all lost so that we just were not able to carry anything for that day and afternoon. That night our people moved very quickly to get film shots of her arrival and they were on the news at 11 o'clock. I think what gave rise to a great deal of criticism was the technical breakdown in the camera which, of course, we regretted very much.

Q. The impression I had, I think it was a magazine article said that there was no one on the spot.—A. Our people were right there, the trouble was the film did not get back. Sometimes people do not want to have the right impression of what happens in television.

By Mr. Monteith:

Q. On "News" there is a statement in the last paragraph on page 31, "Free-lance and staff-cameramen are stationed in every part of the country," just what is meant by free-lance?—A. A great deal of our film material for television use comes from free-lance photographers, that is, photographers not on our payroll at all but who may suggest to our people they have an interesting story on film or can get it, and it will be commissioned or sent in on speculation.

Q. Is it a set amount of film?—A. Yes, and many of these photographers are in touch with us, know what we want and do quite a nice business getting footage for news reels.

Q. You have a special rate table for that?—A. Yes.

By Mr. Goode:

Q. That is standard practice for newspapers too, a lot of free-lance men are employed for newspapers across the country.—A. I do not think any paper has to have the information we do.

Q. It is standard practice, is it not?—A. I think some newspapers would do it.

The CHAIRMAN: "News".

By Mr. Dinsdale:

Q. I have this specific reference, perhaps you would like to have it, it was published in *Saturday Night*, October 9, 1954, and is headed:

Why didn't the C.B.C. have its mobile unit at the waterfront?

"Well, we could not," a C.B.C. official told me, "it takes time to set it up and we had to have it over at Varsity arena to cover the prom concert, we do the prom concert every Thursday night".

Are these people all wrong?—A. It sounds so very simple. I do not know whether you have seen a mobile unit. It is a really movable control room with two or three cameras and it takes from five to eight hours to set up for a hockey game or an event like that. It takes five to eight hours to set up. Marilyn Bell's arrival, as you remember, was quite uncertain. It was not known where she was going to land and she actually arrived at a point a long distance from where she was expected to arrive. Unfortunately you cannot cover such a thing with a mobile unit. It has to be in place hours ahead, has to have power leads, has to have a line of sight back to the studio. A mobile unit is not something that can run around and chase events; that is the sort of job a mobile unit could not do properly.

Q. The trouble was you had a camera but not the mobile unit?—A. Oh, yes, film camera men on the spot, the film people got the film and it was developed and put on in Toronto.

The CHAIRMAN: The next paragraph is "Music", are there any questions on that?

By Mr. Goode:

Q. Mr. Dunton, just one question, are you considering filming the Theatre Under the Stars in Vancouver this year?—A. There does not seem to be much chance between the complications that would be involved and the desire to have people in Stanley Park rather than in front of their television sets.

Q. For Mr. Knight's benefit and others, the Theatre Under the Stars is a professional company that holds nightly performances in Stanley Park in an open arena. It is the most beautiful sight you ever saw and you will not find a finer show in Canada or elsewhere.

Mr. DINSDALE: Except the Stratford Festival.

The WITNESS: I have never heard of a company putting on a theatrical performance and charging admission and allowing it to be televised too.

By Mr. Goode:

Q. Are you having union trouble too?—A. I think the promoters are usually interested in the admission question.

Q. If there was permission granted and I am quite sure your administrator in British Columbia has viewed it, if there were negotiations between the two and the Theatre Under the Stars agreed to televising perhaps the odd performance and it could be shown throughout Canada, would the C.B.C. be in agreement?—A. I think many complications would be involved, I cannot think of any time when a theatrical performance like this has been televised. In any case a theatrical performance makes for difficult television conditions. On the whole a play or variety show or Theatre Under the Stars kind of thing needs to be done especially for television, but you do not get good results by taking a picture of things being done before an audience, you need cameras moving in and out and the correct lighting and that sort of thing.

Q. May I make a suggestion that perhaps a special program be put on once in a while? I do not know what the technical difficulty would be, but if the rest of Canada could see that once it would be a wonderful thing.—A. I think that is being considered now, the possibility of doing a special program with the same people taking part in it, but done in a studio under television conditions.

The CHAIRMAN: Any questions on "Variety and Comedy," "Drama," "Religious Programs"?

By Mr. Goode:

Q. You are putting on Hamlet this week-end?—A. Yes, it is coming here Saturday night.

Q. Over the Ottawa station?—A. Yes.

By Mr. Hansell:

Q. Under "Religious Programs," are they live or filmed?—A. They are live.

Q. The National Religious Advisory Council, that is the same council as is used for radio?—A. Yes.

The CHAIRMAN: "School Broadcasts"?

By Mr. Dinsdale:

Q. Again under "Religious Programs," the same policy applies as applies for radio stations, the local stations can carry their own church programs receiving a certain amount of revenue for carrying such programs?—A. You mean some type of religious program on film?

Q. Or a live religious program?—A. From a studio, yes, there is nothing stopping them.

Q. On a sponsor basis?—A. Yes.

The CHAIRMAN: "School Broadcasts"?

By Mr. Dinsdale:

Q. Just one question, there was a film, an experiment in school broadcasts, the National Film Board filmed it, the program was called "The House of History." It was a visit to the late Mr. Mackenzie King's home and it was filmed by the National Film Board for the purposes of TV only for this one program, why is that film not generally available to the National Film Board facilities?—A. I am not sure, I will try to find out.

Q. Is it another one of those union technicalities?—A. I am not sure, we will have to check with the National Film Board about that.

Q. Yes, the National Film Board accepted the invitation of the Canadian Broadcasting Corporation to produce this program on film for the specific single occasion of this telecast.—A. We will have to check that, they were commissioned by the C.B.C. and paid for by the C.B.C., we will have to check up and see the situation and the rights connected with it.

Q. It is a matter of rights and union technicalities again, I suppose?—A. It may be.

Q. It seems like a very interesting film for general release.—A. If you will wait until next week we will check on the exact situation.

The CHAIRMAN: "Women's Programs," any questions on that? "Information and Documentaries"?

By Mr. Goode:

Q. Here again may I make a remark about this program "Tabloid," perhaps I should have made my remarks on this before, but they certainly could take some direction from the "Vancouver Almanac" because there is no comparison between the two programs and I would hope that the C.B.C. would consult with our Vancouver friends.—A. They are in the C.B.C. too.

Q. There certainly is no consultation between them because the value of one program is so much more than the other, you have a gentleman in charge of it named Bellman, I think.—A. He is the master of ceremonies, not the producer.

Q. If it is his direction—I do not know the gentleman at all, but if it is his direction or whoever is directing this program it is just wonderful. You go along the street in Vancouver and anyone with a television set religiously listens and looks to that program and that is not true in the east re Tabloid. As far as "Tabloid" is concerned it is just being worn out.

By Mr. Dinsdale:

Q. Is there greater facility in the exchange of documentaries for TV purposes than there is for radio purposes? You are running a very interesting B.B.C. series in the "Battle of Britain" or the "Battle for the Air" at the present time and that has been made available through the B.B.C. Is it easier to obtain these documentaries for television purposes than it is for similar B.B.C. documentaries for radio purposes only?—A. I would think it would be the same unless on the sound side voices were being used, as they probably would be, of professional people, then the union comes into it. Film documentaries may be without union performers in it and then it becomes easier to exchange.

Q. I note that there is no heading for farm programs and I am wondering—A. There will be.

Q. What has been done or what is planned?—A. In this last year a farm television program has been started called "Country Calendar," which is proving very successful.

Q. Has the B.B.C. given any thought to using the TV medium for farm demonstrations, demonstrations of farming techniques?—A. This program

"Country Calendar" includes quite a lot of that sort of thing, many demonstrations of new methods and new developments of all kinds and it is proving very interesting to farm people.

Q. It would almost take the place of field demonstration in many respects?—A. Some of it is of a field demonstration type because they are usually taken on the field on film.

Mr. MONTEITH: "Country Calendar"?

The WITNESS: Yes, it is out and I think they are trying to develop some basic material which is interesting across the country and also has some regional material added to it.

By Mr. Dinsdale:

Q. I imagine that eventually you will have material suitable for the prairies?—A. I am not certain at the moment whether Winnipeg has it or not, if it is not it will be there very soon. Yes, I see it started in Winnipeg and is going to Vancouver too. It will also be in Halifax but, of course, we only have temporary facilities in Halifax.

Q. Any program like that, you work closely with the farm services?—A. Yes, they work with all the provincial authorities, federal authorities, agricultural schools and extension courses.

Mr. WEAVER: I would like to ask Mr. Goode what is this Almanac program from Vancouver.

Mr. GOODE: As far as details are concerned, let us see, there are three men on there, one is a weather forecaster who forecasts the weather in a much more attractive way. May I say this to Mr. Dunton, it took me some months to find out, but this chap, Bob Fortune, I could not understand why he could give a more attractive weather forecast than someone else, but I found out he was left-handed and, do you know, that makes all the difference in knowing what happens on a map. I did not realize what it was for some months.

Mr. REINKE: It would not work on the east coast, only the west coast.

Mr. GOODE: There is nothing the matter with British Columbia weather, I will tell you that.

Mr. REINKE: It is left-handed.

Mr. GOODE: But it makes a lot of difference in a chap giving you the weather on a map working from his left hand, you would be surprised although it seems strange, how much clearer a view you get. The other two people bring in the current events, what is happening today, not a week or two ago, and it gives people in British Columbia a most attractive idea of their own province. The other day he had a gentleman from the Australian Cricket Commission, we have a lot of people who are interested in cricket in British Columbia, but the way it was done was so much different than what you do in the east. You could learn a lot from British Columbia.

The WITNESS: Some parts of the C.B.C. will be particularly pleased with your remarks.

Mr. GOODE: I say that sincerely.

Mr. HANSELL: I was surprised that even the weather broadcaster had a leftist slant, I do not believe that.

The CHAIRMAN: "Sports"?

By Mr. Richard (Ottawa East):

Q. Mr. Dunton, I wonder if you could give us any more information as to what we might expect in football broadcasts in the fall? I know there is probably nothing definite yet about our Big Four but offhand I might say

that two years ago we had at least some professional football from the United States, it was most attractive, a most interesting program and it was the best of any football broadcasts I have seen. I would like to see some football over the week-end this fall; could you tell us whether we might expect to have that once a week?—A. We expect there will be football games at least once a week.

Q. But you do not know anything about the Big Four?—A. Nothing definite yet.

Q. Any chance of the professional football in the United States?—A. We were trying to do the best we could with Canadian football.

Q. No baseball this summer?—A. No plans yet, baseball is an enormously complicated thing to televise, the times at which it comes on and the way it jumps around makes it very difficult.

Q. It would be a great thing for this district.

Mr. WEAVER: Mr. Chairman, I would like to ask Mr. Dunton why they changed the programs on Saturday night, the one coming from Chicago to one coming from Hollywood?

The WITNESS: The ones from Chicago were no longer available from the Dumont network, but there are still a lot of people interested in wrestling so a special arrangement was made for Hollywood wrestling and we have hopes of developing more television of Canadian wrestling.

Mr. HANSELL: Those from Toronto were much better.

The CHAIRMAN: Somebody was asking if you were going to put on the Kentucky Derby next Saturday?

The WITNESS: Yes, that is being carried.

Mr. MONTEITH: Mr. Chairman, I do not know too much about how this works, but the big league games in the states that are seen on Canadian sets, are they picked up directly from Buffalo or—I am thinking of western Ontario?

The WITNESS: I think we made some arrangement for some of our affiliated stations to carry them as part of our network to take some baseball from the States.

The CHAIRMAN: Now, shall we come to "Administration" or "International Service," are you ready for "Administration"?

Mr. MONTEITH: Does "Administration" include finances and so on?

The CHAIRMAN: Finances are all on pages 42 and 43.

Mr. REINKE: Are you taking "Administration" now?

The CHAIRMAN: If it is agreeable to the committee I am ready.

By Mr. Reinke:

Q. Unfortunately I was unable to be here this morning and I heard that some reference was made to the policy of the C.B.C. or, at least, there were some questions asked with respect to the policy of the single station coverage. Could Mr. Dunton enlighten me to some degree on that aspect? For instance, let us take the city of Ottawa, I do not know whether an application has been made for another television station here or not, but if one should be made on a different channel that would not interfere with the already existing channel, what would be your attitude? Is it the responsibility of the C.B.C. board of governors or, as I see here under "Administration", all recommendations go forward to the licensing authority, that is the Department of Transport, could you enlighten me just as to how that works?—A. As I explained this morning, there is a general government licensing policy for television which was stated in the House of Commons and that is the one that applies regarding extension of television service in Canada through

different areas, not through duplications of stations in the same areas. It is our understanding that the Department of Transport does not accept applications from applicants in areas where there is already a television station either private or C.B.C. owned.

Q. Well then, where does your responsibility end or begin in so far as your recommendation is concerned? As I say, it says here under "Administration", "Recommendations to the licensing authority (the Department of Transport) were made for the establishment of eight new standard-band private radio stations, etc.," but where does your authority begin and end? You recommend to the Department of Transport on what basis?—

A. On the basis of the application before us. The applications go to the Department of Transport, they have to be complete so they go over them and process them, send them to us for recommendation and we make a recommendation on them.

Q. On what basis do you recommend them, what factors do you take into consideration? Whether there is an overlapping or a station exists there already, that has nothing to do with you?—A. Oh, yes, and the question of suitability of the applicant, whether it looks as though it will be a good operation and all that sort of thing. We will look at its coverage to see if it will extend the television coverage and to what extent and not duplicate service in areas where there is already service. As I say, that does not arise to any great extent because the only applications being put forward are the ones that will extend the service, and not duplicate service.

Q. Let us assume the policy was handed down by the House of Commons, that is a single station coverage, the Department of Transport then have the application first and refer it to you from the technical standpoint. Now, that is the business of the single station coverage, again they do not go into that phase of it and recommend it, but that recommendation comes from you.—

A. I think so, to a considerable extent, yes. As I say, in the first place, in my understanding, they are not even accepting applications which would put another station in areas where there is already a station either publicly or privately owned.

Q. In other words, the application must go to the Department of Transport and will not be accepted unless it meets the requirements. The refusal would not be given by the C.B.C. because of that duplication, you would never see the application?—A. In all probability I do not think they are being accepted where there is a station at the present time. However, I suppose they could send an application to get our views on it too.

Q. Let us take a case where there might be a small overlap and they send it to you for consideration. On what basis would you consider that application?—A. On its merits.

By Mr. Monteith:

Q. Is there any mileage that is taken into account as a supporting circumstance?—A. In very general terms it has been that the B contour of a new station should not overlap the A of another. That is in general terms.

Q. What is it roughly in mileage?—A. It varies a good deal in different circumstances. As the director of technical services explained the difference is the difference in power and other factors.

By Mr. Goode:

Q. Do not all these independent stations in Ontario overlap—does not their television coverage overlap?—A. There is a little overlapping among the private stations, but only to a small extent.

Q. Have you ever had an application for a private television licence in British Columbia referred to you by the Department of Transport?—A. I don't

think so, Mr. Goode. I cannot remember any. That is, a formal proper application. Certainly not since the policy has been established. I am speaking of course of a proper application, not of a simple letter saying: "we want a television station".

Hon. Mr. McCANN: What is your present position with reference to union agreements?

Mr. OUIMET: You mean with our staff?

Hon. Mr. McCANN: Yes.

Mr. OUIMET: We have collective bargaining with four different groups of employees, and there are contracts in effect or under negotiation with all of these.

We have four union groups, one called NABET—the National Association of Broadcast Employees and Technicians which covers entirely technical personnel . . .

Hon. Mr. McCANN: Is that the one which was finalized a few weeks ago?

Mr. OUIMET: Yes. Then we have a contract with the Newspaper Guild which covers mainly those of our personnel who are associated with news editing in our news rooms. Then we have the ARTEC group which covers for the most part office personnel, and finally we have the IATSE group which covers employees associated with the actual staging, and designing of scenery. We have agreements with all of them and we are negotiating the renewal of agreement with some of them.

Hon. Mr. McCANN: Do you anticipate any labour difficulties this year?

Mr. OUIMET: We are always hopeful that we can avoid difficulties.

Hon. Mr. McCANN: I know that much.

Mr. GOODE: How many strikes have you encountered in the last two or three years?

Mr. OUIMET: We have had no strikes. There was talk of one.

Mr. GOODE: Was not there a situation in which some employees stayed away from work for a little while sometime ago?

Mr. OUIMET: Not so far as I know.

Mr. GOODE: It stays in my mind that you had some difficulty with a small group of staff who stayed away from work a little while, did they not?

Mr. OUIMET: I am told we might have had a stoppage, which we might call a wild-cat stoppage, for an hour or so.

Mr. GOODE: It was not only in British Columbia was it?

Mr. OUIMET: I think it was in Toronto.

Mr. GOODE: I thought so.

Mr. OUIMET: This was just the action of a particular group. It was not approved by the national union and it was stopped. Generally speaking I would say that the relations with the unions are being carried out on a very business-like basis, and that relations are good.

Mr. GOODE: I do not know what you would call business-like when we have evidence here that you have to pay two orchestras when you only use one. I do not expect to express an opinion on that.

Mr. OUIMET: Without inferring that our relations with the musicians' union is not businesslike. I was referring to CBC staff unions.

Mr. KNIGHT: In fairness to the unions, there were a lot of derogatory remarks made about them the other day, and I think the musicians' union

was particularly mentioned. Is it not a fact that when they contract with you to do a certain piece of work for a certain sum of money, that contract is fulfilled?

Mr. OUMET: That is correct.

Mr. KNIGHT: And you have complete notice and a warning before anything takes place, or a performance is done, that that amount of money has to be paid in connection with the work which they are performing?

Mr. OUMET: That is correct.

Mr. KNIGHT: I think that should be on the record.

The WITNESS: I put it on the record the other day.

Mr. GOODE: Let us put something else on the record, while we are doing it. You also said that some of this money supposed to be paid to the men was not paid to them at all but went to the headquarters of the musicians' union.

Mr. OUMET: In certain cases when standby musicians were engaged.

By Hon. Mr. McCann:

Q. With respect to the staff position, which was 2,900 at the end of 1954, has there been any increase in that, and have you about reached the maximum in the number of staff employed?—A. There has been a considerable increase since then due almost entirely to television.

Q. It says the increase was about 900—and I presume that is included in the 2,900—over the preceding year. My question is: have you reached the maximum number you anticipate having in the employ of the C.B.C.?—A. There will have to be more in connection with facilities which are not yet operating, such as the Winnipeg studios, the Halifax studios, and other undertakings which will need manning as they come into operation or into fuller operation. In general there will be no increases planned in the staff for sound broadcasting as such. Any expansion will come only in connection with television facilities or extra work related to those facilities.

Q. What I wanted to draw the attention of the committee to is this: when it comes to a matter of financing, a staff of 3,000 people is one of the main reasons why the C.B.C. costs as much as it does.

By Mr. Monteith:

Q. What has been the numerical increase since March 31, 1954?—A. In the whole thing?

Q. You have a figure here of 2,900 as at the 31st of March 1954. What would be the increase since that date?—A. To date, including international services, the total is 3,973.

Q. Where does that figure of 2,973 appear?

The CHAIRMAN: It is 3,973. On page 272 of the record.

Mr. MONTEITH: All right. I have it.

By Mr. Dinsdale:

Q. In regard to personnel, Mr. Dunton the comment has been made that the C.B.C. in Toronto is overcrowded at the moment and resembles a rabbit warren. What is the reason for that?—A. The smallness of the space in relation to the operations that have to be carried on there. There is a need for more space, and some of it is in the process of being provided now.

Q. As your facilities across the country extend will there be a tendency to decentralize operations or will there be still further concentration in Toronto?—A. Toronto is the big English language production centre and I cannot see any possible reductions taking place in our main English language production and operation activities there.

Q. Winnipeg in going into production shortly I understand. Will not that take some of the pressure off?—A. Not very much because we are not planning large operations elsewhere. We have not got the money for it. Winnipeg and Vancouver each have one studio and you cannot do a great deal of work out of one studio. There will be some shows for regional transmission, and they will be making some contribution to the network services, but it cannot be a very large contribution by reason of the limited facilities which they have. The main burden of production will still have to be undertaken in the Toronto centre and the size of the staff there during the years ahead will depend on the general amount of production and services we provide.

Q. If I may go back to another matter which we were discussing a moment ago, Mr Chairman, are there any stations which are required to have directional telecasting in certain areas in Canada?—A. I think several have it. There was one particular case of a station at Hamilton where it was necessary under the allocation plan, if they were going to fit in with existing arrangement without undue duplication, and also cover some areas which were left uncovered, especially down into the Niagara Peninsula, it could be done only by means of a directional antenna, and they made an application on the basis of a directional antenna pattern. That is the only case I can think of.

Mr. REINKE: Kitchener, too, to a certain extent.

The WITNESS: Their pattern is slightly directional now, but only slightly.

Mr. DINSDALE: But it is a technical fact that if you do have directional telecasting you get greater range in one particular area?

Mr. OUIMET: You transmit the same power but instead of distributing it equally all around a circle you concentrate it on one side at the expense of one other sector of the circle. You can have different patterns; you can have a pattern which looks like a cardioid, or a pattern like a figure of eight depending on the type of antenna you use.

Mr. DINSDALE: What range increase would directional telecasting give you?

Mr. OUIMET: It would depend on the particular directional pattern. With some complex antennae you could concentrate your signal in one direction at the expense of practically everything else. In that case you could increase your range considerably. But in other cases it might be an increase of just a few per cent. Your question is very difficult to answer satisfactorily because there is a complete range of possible answers varying from nothing to maybe double the range.

Mr. REINKE: It would also depend on the power.

Mr. OUIMET: I was assuming that the same power would be used all through.

By Mr. Dinsdale:

Q. When Mr. Reinke was questioning you, Mr. Dunton, on this matter of granting licences, I was interested to hear the Hon. Minister (Hon. Mr. McCann) observe that the interest of the Transport department is restricted to the technical aspects of an application. Is that correct?—A. Before it gets to us. The department sees that the whole application is in good form. They see that all the questions are answered and particularly that the technical side is in order. After that it comes to us for a recommendation, and then it goes back through Dr. McCann and on to Minister of Transport for further action.

Q. But the Department of Transport is primarily interested in the technical aspects of the applications?—A. As we understand it, yes, but what happens to our recommendations is for other people...

Q. We had a discussion this morning on the St. John situation and I was wondering what technical aspects would determine a decision in favour of a

private station as opposed to public broadcasting?—A. We do not know. We make a recommendation and it goes on to the licensing authorities and they make the decision.

Mr. GOODE: In answer to Mr. Dinsdale's question, Mr. Chairman, Mr. Dunton made a statement—I am quite sure he did not mean it—in which he said the matter would “go back to Dr. McCann”. I am quite sure that Dr. McCann, the Hon. Minister would have nothing to do with it.

The WITNESS: I think he transmits it immediately to the Minister of Transport.

Hon. Mr. McCANN: There are a lot of other things which come before the Department of Transport. When an application comes in and somebody wants to get a license for a television station and they have indicated that they have not anything to finance it with but that they could get the finance if they got a licence, we don't bother wasting time on such a case. In the set-up it is indicated whether or not the applicants are in a financial position to go ahead with the station—or whether they want to hold a licence as a step towards financing themselves.

Mr. HANSELL: Or sell it to somebody else.

Mr. RICHARD (*Ottawa East*): I also think this: that if someone were to apply for a private station in the Ottawa area the Transport department would similarly set aside that application and it would never go before the board.

The WITNESS: That is what I have explained.

Hon. Mr. McCANN: The regulation is that where there is another station in existence a new one cannot be opened for the time being. Where there is a C.B.C. station there is nothing to be gained, and you only lose time by transmitting such an application.

By Mr. Goode:

Q. You said this morning that channel 2 was associated with the Chilliwack area. Would that be considered to overlap CBUT in Vancouver?—A. That is the sort of thing the Transport department would look at. I cannot give you the answer off hand.

Q. The distance by road is only 75 miles.—A. Primarily, as I said, it is technical matter for the Transport department.

By Mr. Monteith:

Q. Could Mr. Dunton tell us the number of employees who are working under union agreements?—A. About 3,200.

Q. How many would there be roughly at the end of the fiscal period ended the 31st of March 1954?—A. It is pointed out that at that time we did not have formal agreements with two unions, but I think the proportion of people with those who have since joined those unions would be still about the same.

Q. I notice there has been the salary of an administrative officer added to the staff and I am assuming he will be dealing with some 400 to 500 employees.—A. We have a whole labour relations department or section.

Q. I noticed that, but it mentioned a salary administrative officer and an industrial relations officer.

Mr. OUMET: The salary administrative officer deals with all salaried positions.

By Mr. Monteith:

Q. Covering the unions, more or less.

Mr. OUMET: The 4,000 employees, including the employees in the union.

The CHAIRMAN: And now do we take "Administration, Board of Governors, Personnel", there are only two items there. We should cover that before adjourning.

Mr. REINKE: That is covered already.

The CHAIRMAN: International service.

Mr. MONTEITH: We do not want to start that today.

Mr. GOODE: Are we only going to have Thursday and Friday next week? This committee has carried on a long time, is it not possible to get a full week in? We are holding up the C.B.C. personnel and I say we hold up their work. Is it not possible to have a room?

The CHAIRMAN: How often do you want to meet? We will have to arrange with other committees sitting.

Mr. GOODE: So far as committees are concerned they are all sitting today. I had six meetings today and I attended this one and let the others go.

Mr. REINKE: Start on Wednesday.

The CHAIRMAN: How about Monday?

Mr. REINKE: No.

Mr. MONTEITH: Should not the steering committee look into that?

Mr. GOODE: Why cannot we sit on Monday? It is understandable that some gentlemen will be busy but there should be enough of us here to go through Monday, Tuesday and Wednesday. Some of the members are here all the time and we want to get this matter completed. I hardly think it is fair to hold the C.B.C. staff week after week.

The CHAIRMAN: Could we sit on Monday night?

Mr. MONTEITH: The only reason is I am particularly interested in finances and you will all be in finance then.

Mr. GOODE: How about Tuesday?

Mr. REINKE: Leave it to the steering committee.

The CHAIRMAN: We will have to find out about the room first and we will take it up with the committee after tomorrow's sitting. Do you want to have the director of international services here tomorrow? To answer detailed questions we need some assistance.

Mr. GOODE: I am sure he will be here, knowing Mr. Fleming.

The CHAIRMAN: He is going to a funeral tomorrow, he will not be here.

Mr. GOODE: I would suggest that you have the director here in any case.

EVIDENCE

MAY 6, 1955.

11.00 a.m.

The CHAIRMAN: Order, gentlemen.

Mr. A. Davidson Dunton, Chairman, Board of Governors, Canadian Broadcasting Corporation, recalled:

The CHAIRMAN: We are now on "International Service".

Mr. BEAUDRY: Mr. Chairman, yesterday morning I mentioned at some stage of the proceedings I mentioned this matter and with your permission, I would like to ask further questions on some commercial aspects of television. I had to leave around 5.00 o'clock yesterday afternoon and I do not know whether that phase has been covered or whether you would allow me to question on that angle.

The CHAIRMAN: If the committee agrees I am willing to let you go on.

By Mr. Beaudry:

Q. I will make it as short as possible. Mr. Dunton, I am thinking particularly at this moment of the French network and your French language station in Montreal, CBFT. I understand that there are requirements of perhaps more availabilities than it is economically sound to secure or physically possible to secure due to the fact that everything done in the French language, or almost everything done in the French language, has to be done live, that you are in fact putting out fewer programs in the French language than you are in the English language, is that correct?—A. As the general manager explained yesterday, the amount of programming on the air is somewhat less in French than in English, the amount of program production is about the same in each case.

Q. Due to the difficulties I mentioned earlier, has it not been a normal conclusion that whereas you have reasonably filled the same amount of time in hours or production, on account of studio difficulties, each of them in the main is of a longer nature and therefore you have fewer programs daily?—A. No, I think the general manager explained that yesterday, that the production efforts and the production facilities are just about the same in Montreal and Toronto. The additional English language programming on the air comes from the fact that there is material available from outside Canada so easily, so readily, but the amount of production facilities used are almost exactly the same.

Q. But, in actual practice; I am referring to a sample week of March 27, 1955; on Sunday, for instance, there are included the test pattern and music fourteen French language presentations and twenty-five English language presentations. There is more time devoted in English because I appreciate there are more resources. I notice that there are six film programs in English whereas there are none in French. I may be wrong on one topic there. On Monday I believe the same would apply with the fourteen different program headings in French and nineteen in English and I believe that is fairly prevalent throughout the week. I am arriving at this point: are you able, in the French language and over station CBFT, to meet the requests of all advertisers

desirous of purchasing time?—A. I think that is one of the situations we were discussing as in Vancouver yesterday. I could not say we were able to meet every request of every advertiser but many situations arise; it may be an advertiser wants to put on the kind of program that we do not think fits into the pattern, or he may not have the money to support or be associated with the quality of program we think should be produced. My understanding is that in Montreal there are very few advertisers, if any, who are anxious to support a program, a production of fair size, who have not been satisfied.

Q. Outside of actual programs, coming to spot or flash announcements or one minute announcements which are highly popular, are you able to meet all the requirements in that respect?—A. Not entirely at the present time and that is partly because the program schedule is rather shorter in French, and we try to keep a reasonable limit on the number of spots inserted during a schedule. With that limitation there are, I think, a relatively small number of advertisers who have to wait a bit to get their spots on. We try to get them all on in time but some have to wait and actually if the schedule could be extended there would be more slots for all these spots to go in.

Q. Am I right in thinking that to the average sponsor advertising in the French language through the medium of sponsored flashes during a live program, the cost would be higher than it is in English? Not necessarily on programs but in the main inasmuch as from some figures supplied we see that English sponsors are able to secure films at a lower rate than the cost of live production whereas those in French, it has been stated, are almost, if not fully, impossible or frequently impossible?—A. Yes, as the general manager said yesterday, there is not much suitable material in French apart from live material and production costs are relatively the same in English or French in Toronto or Montreal.

Q. Would I be able to infer from that that to the average sponsor desirous of going into television the method of doing so at, to him, an accessible price, would be more the method of spot and flashes than that of sponsoring a live production?—A. I do not think necessarily. As you know, there are quite a few advertisers sponsoring a production in French, quite elaborate ones, and as far as I know most of them are pretty happy with the results, even though they are spending quite a lot of money in connection with the production of these programs.

Q. I appreciate that, but is it not true that if the sponsor wants to go into a live television show in French the cost is extremely high in most cases?—A. I would agree the cost of the program tends to be high, it is the same thing that applies right across Canada in English and it applies in French too.

Q. I am thinking of the resources that are at the disposal of many sponsors who could go on the air at a lesser cost than that of a live production.—A. That is one reason in doing spots; we want the money and we try to accommodate those sponsors.

Q. I know from experience in Montreal in French you have a backlog of spot requests which is quite considerable?—A. As I say, our people try to handle it on a revolving basis, take people in order and give them all a chance.

Q. I am thinking of the position in which it places the sponsor who, I would not say through lack of foresight but through lack of proper timing, is handicapped by not being able to advertise within his means while his competitors are in that favoured position.—A. You mean because they have spots?

Q. Because one is on the air, has a block of time for spots whereas his competitors have no time available to them?—A. Yes, in the first place I think naturally some credit should be given to the people who came on earlier, but in addition to that our people try to be fair to the newer people trying to get on; to limit the ones that have been running and give a chance for those who are waiting.

Q. But even in spite of all the fairness that may be shown it at times proves impossible?—A. Oh, to get on immediately, yes.

Q. I refer to some clients, not of mine, who are fiftieth or fifty-fifth on the waiting list, but I am thinking of the basis that puts them on with competitors who at the time are on the air. I appreciate it is an insoluble problem at this moment, but I am wondering whether the solution does not lie in the larger centres in the operation of other stations?—A. Do you want to discuss that?

Q. No, I appreciate that, but I am asking myself out loud because it seems to me the more popular television becomes the more people want to get into it and the time factor is going to be an element which will have to be given some consideration.—A. Well, if you want to raise the question of production of television—

Q. I would like to bring that to your attention, it is important to many sponsors.—A. There are many important factors which could be discussed apart from the view of advertisers who want to get more spots; the point of view of the economy of television across the country; there are a great many factors.

Q. I was viewing the question from the sponsor's point of view, not the agency's point of view, the point of view of those who have certain means to go into television, financial means beyond which they cannot go, and who find it impossible to get on because of the time limits.—A. I think that should be given some consideration, but there are many other factors related to the whole economy and finance right across the country of services in English and French which are very important.

Q. I will not enter that phase now, thank you very much.

By Mr. Goode:

Q. That brings me to one more question: is there a waiting list in Vancouver?—A. Not to my knowledge. There may be sponsors who cannot get the sort of thing they want at the time and may be waiting to get it at a certain time, but I think in general there is no waiting.

Q. You mentioned before those sponsors want in on a special period, the people demanding certain times and they would rather stay off the air than not get it?—A. Yes, I think the cases you mentioned yesterday on Bellingham were because they did not get the time they wanted on the Vancouver air or the program they wished to sponsor was not acceptable.

Q. I will not pursue it but it still gives me the impression that there should be an additional outlet for television in Vancouver, C.B.C. economics notwithstanding. The point has been established by you that CBUT is not able to handle the available traffic, there are a number of sponsors that want to get on between 6 o'clock and 10 o'clock at night, the popular times when you are not able to accommodate them. What is the answer? Is the answer that we have to hold off some likely sponsor to the detriment of the advertising business or are we to take the view that another outlet should be permitted to allow those people who have the available money to go on the air? I have not decided it in my mind and you have not decided it for me either.—A. That is one factor in considering the whole question of television; but perhaps when we are considering the financial aspect of television it will be seen what a big financial load in general is arising from the service all across the country through private and public stations, and the production of programming here. I would suggest one thing to you. I would say it should be the general public interest in Canada, not simply the provision of opportunity for a few sponsors to go on the air. We are having difficulty now in having more money provided to support transmitting much better material in Canada.

Q. You mentioned a few, I am not convinced it is a few, but I think there are a lot of big companies throughout Canada who want television time and cannot get it on the C.B.C. I make that statement hoping you can

disillusion me.—A. There are not a lot of companies who are ready or wish it. Those ready to support television production in Canada are nearly all either satisfied; although perhaps a few who are interested are looking ahead to another year. As I have said there are some advertisers at different points who want to put spot announcements on the air and are having to wait for time to get on, but I suggest the spot announcements are not much of a contribution to the viewing public apart from some dollars they may raise.

Q. I cannot agree with that because I said yesterday and I repeat again that there is a lot of money going to the United States stations in my area. It is not just a few cases because I have had it checked; in fact, a letter came back this morning having KVOX checked for one week, that is the Bellingham station, and three nights during the week, outside of a late film, the whole night was taken up by Canadian advertising.—A. Is that advertising in fifteen-minute or half-hour programs? What was the content of the program?

Q. I do not know particularly. I think I mentioned yesterday "Amos and Andy" and "My Hero"—among others— —A. Your inference is that they would be supporting non-Canadian programs.

Q. Do not the Canadian sponsors support non-Canadian programming?—A. Yes, and also a lot of Canadian programming. Under the system which has been developed across the country, one of the main objectives is to support a substantial amount of Canadian production and ensure distribution across the country, both of which are extremely expensive.

Q. You are penalizing some of the advertisers by saying to one company you can advertise on C.B.C. and saying to another company you cannot advertise because we do not have the available time?—A. In a very few instances.

Q. I could not agree in regard to my own territory. I do not know about the rest of Canada, but in my own territory that is true. I think that if you would give it some thought you will find my point is perhaps well taken. We are allowing Canadian money to go to the United States which could go on a private television station in the lower mainland of British Columbia. I do not think that there is any successful argument to that. I do not say that you are wrong but I would say that I do not like to see Canadian money going to the United States stations.—A. I just urge that you give consideration to the other side of the thing, to the need of funds through public channels and from advertisers to support the very big load of program production in Canada and distribution from Victoria to St. John's, Newfoundland. Both those things are extremely expensive operations.

Q. I have not made up my mind yet, but evidence has been given to this committee in former years that it costs a lot of money to set up a private television station. There have been gentlemen who have appeared before this committee who said that they had that money to set up a private television station; whether they are the type of people we would desire to have setting up private television stations I do not know. There are people in British Columbia who say they have the money and wish to have the opportunity of putting private television on the air. We are saying to them—and I do not know whether it is your policy or government policy—but someone because of these facts is penalizing part of the Canadian trade.—A. I will ask you again to think in a total way of the amount of funds that are going to have to come to support the system as a whole, public and private stations, and production and distribution of programs. I think when you look at the picture of the thing you will see the size that load has to grow if we are to have a good job in Canada.

Q. This country has been built on the speculation of private money. We would not have stock exchanges if that was not true. Some people say we are willing to take a chance with many hundreds of thousands of dollars and the C.B.C. say—I do not know whether you can put the onus on the Depart-

ment of Transport—you cannot take a chance with your own money.—A. Anyone having a private television licence in a place like Toronto or Vancouver is not taking much of a chance and will be able to make a lot of money, but most of his programming will be from outside of Canada and of the kind you mentioned as being sponsored by some advertisers on the Bellingham station. I would say that this becomes a very important matter of national policy. You talk about taking risks. If parliament wants television to be on a purely private enterprise basis, all right; but on a purely commercial basis program production in Canada in general does not pay and distribution right across the country does not pay.

Q. You say that these people take no chance of losing money. Is it not true that there are some private television licences now given in Canada which have not resulted in the erection of station transmitters. I have information that there are a couple in the east who have not begun to construct stations who have had permits for some time?—A. Our information is that they are all going ahead except one in Quebec which is held up by difficulties in respect to transmitter site. I understand that the Department of Transport withdraws permission unless they do proceed within a reasonable period.

Q. I think that if people wish to take chances on a large sum of money that we should let them take chances, especially on the basis that you say they do not take a chance?—A. I mentioned that in connection with large centres.

Q. You know I am talking about Vancouver. You say these people do not take a chance. They would be giving the people of the country an opportunity to advertise their products.—A. I suggest that you have to consider whether in accommodating those sponsors you are taking a step which will have its inevitable effect on the whole overall national system of production and distribution.

Q. You are making me say now we are supporting a monopoly?—A. It is a series of monopolies across the country, public and private, all merged together in one overall system which faces an awfully big challenge ahead of it. The challenge in terms of dollars and cents is a very heavy one.

Mr. BOISVERT: I would like to ask one question following Mr. Goode. Do you not think, Mr. Dunton, that we should take it for granted that broadcasting is a public service for the people of Canada and not for the possible advertisers?

The WITNESS: I have been trying to suggest that there are other factors to my mind which are more important than just accommodating the immediate desires of some advertisers, and I have always understood that the most important considerations were service to the public in broadcasting.

Mr. BEAUDRY: I would like to qualify a statement of Mr. Goode's. I do not think I spoke of penalizing the advertisers, I think I referred to accidental discrimination which I think it is.

Mr. KNIGHT: I think a lot of listeners and now viewers, since we are talking about television, are a bit impatient with the advertising that we see or hear and I am wondering about that. There must be some rules in regard to the time of advertising vis-a-vis the time of the actual program and that sort of thing. I do not expect you to tell us all the details but I would like to know something about what those rules are. First of all, as to the rules in regard to C.B.C. stations and also in regard to the private stations over which you have some control. What are the rules and, are they being adhered to rigidly?

The WITNESS: I think we filed for the committee copies of our regulations for sound broadcasting which as I explained yesterday are in practice being applied to television, and you will find those limitations on advertising time in the regulations. They were distributed several meetings ago.

Mr. REINKE: They are there. I have seen them.

The WITNESS: I might say that those regulations apply equally to the C.B.C. and to private stations.

Mr. KNIGHT: And they have been appended to the record?

The CHAIRMAN: I do not think so, Mr. Knight. They are on the bottom of page 3.

By Mr. Knight:

Q. I was thinking that this had not been on the record and I was wondering if for the record you could give a very short resume of what those regulations provide—the approximate proportion of time to be given to advertising, and so on.—A. They are really contained in fairly brief form in the regulations—regulation 7 on advertising content. That really covers it pretty well. That is the regulation relating to the amount of time to be devoted to commercials or advertising messages. I think it is quite brief.

Q. May I ask if in the case of the C.B.C. those regulations are rigidly adhered to?—A. Pretty well, I think. If they are not in any case they would be checked up, but I think they are well followed.

Q. And do you get complaints occasionally from members of the public or from organizations that the private stations are overstepping the mark?—A. At times. We have had complaints from members of the public or sometimes from one station about another station.

Q. Have you found that those complaints were justified?—A. In some cases.

Q. What did you do about it?—A. It would be brought to the attention of the station, and I think that in the last year or two, since the regulations were revised, there has been quite a good degree of compliance. Regulation seven was revised a great deal. Considerable effort was made to bring it in line with reality, and it has been quite well followed.

Q. I can understand that the commercial people are concerned on account of the revenue but I think that as far as the general public are concerned advertising is a necessary evil, necessary because in their opinion we have to have the revenue in order that we might have the program. I think that is the general attitude of the public throughout Canada. I do not think anybody ever turns on the radio or television in order to get the advertising and find out where they can buy shoes or soap or hairbrushes. I think the program is the thing; in terms of the drama, “the play’s the thing” and this other matter is a preliminary nuisance which one has to suffer so that one may get the program.

I take it now that there are definite rules. You have referred me to section seven of this brief in order that I may find out what those rules are. There are rules, and so far as the C.B.C. is concerned it adheres to them “pretty well”—I think that was your expression.

Thirdly, there have been breaches—you did not say how many or how common they were—on the part of the private stations; and fourthly I think that where those breaches have been brought to your attention you have dealt with them?—A. Yes.

Q. Presumably with some results?—A. Yes, as I say I think compliance with that regulation is quite good now; our regulations division did a lot of work on it.

Q. Since you stated that this document is not being appended—I suppose there is to be no decision on that

The CHAIRMAN: I think it was said when this was distributed on March 24 that the regulations were a little too long to be printed.

By Mr. Knight:

Q. Then I am suggesting that since the whole matter is contained in regulation seven on page 3 that it might be a good idea that as a part of this question and answer between Mr. Dunton and myself that this paragraph seven should be included in that material—in other words if I might ask Mr. Dunton what the regulations are he could reply giving me the information.

The CHAIRMAN: They are contained in paragraph seven, are they not?

The WITNESS: It is as follows

The CHAIRMAN: Just seven?

Mr. KNIGHT: If Mr. Dunton assures me that paragraph seven covers it, and I think it does. . . .

The CHAIRMAN: Is that right?

The WITNESS: Yes—advertising content.

The CHAIRMAN: Is it agreed that this be printed in the report?

Agreed.

By Mr. Knight:

Q. What are the regulations?—A. Advertising content.

7. (1) No station shall broadcast any program the advertising content of which exceeds in time the following:

Length of Program (Minutes)	Midnight to 6:00 p.m.	6:00 p.m. to Midnight
5.....	1:15	1:00
10.....	2:10	2:00
15.....	3:00	2:30
20.....	3:30	2:40
25.....	4:00	2:50
30.....	4:15	3:00
40.....	5:00	3:45
45.....	5:45	4:30
60.....	7:00	6:00

(2) No station shall broadcast paid spot or flash advertisements that exceed four in number or three minutes in total time during any fifteen minute period, except that a station may, with the previous consent of a representative of the Corporation, arrange for special announcement programs exceeding these limits with a proportionate reduction in paid spot or flash announcements during other periods. This subsection shall not be operative during the period of a major emergency within the area served by the station.

(3) For the purpose of this section the time of a network program is, in all time zones in Canada, the time of the originating point of the Canadian control point.

By Mr. Richard (Ottawa East):

Q. Just to go back to this monopoly question. Is it not a fact that in television it is clear that the C.B.C. has reserved only six areas in the country?—A. Only six have been reserved for us.

Q. And private stations in the same manner under government regulations and policy have the same monopoly in other areas?—A. That is right.

Q. It is true also that if another station were installed at the present time in any of those areas where the C.B.C. now has stations, that it would be at

the expense of the other station because there would not be enough extra advertising in that district to supply two stations at the present time?

Mr. MONTEITH: How do we know?

Mr. RICHARD (*Ottawa East*): I was asking him because he is the expert.

The WITNESS: One cannot be definite in answering that question, but undoubtedly it would affect the revenue or the potential revenue of the existing station.

By Mr. Knight:

Q. A private station in any of these areas—established C.B.C. areas—would not be taking much of a chance because it would be always assured of the sustaining programs of the C.B.C. and also of the paid network advertising of the C.B.C.?—A. In the case of a station established under the present policy.

Q. So there would not be much of a chance being taken by a private station in areas of the C.B.C.—they would be operating at the expense of the C.B.C. sustaining network?—A. But we could not provide a program service to a second station established in areas where our stations are. There would be duplication of services, which the public would not like, and in present circumstances we could not afford to provide additional programs for such a station.

Q. So there would be very little left for them unless they took C.B.C. advertisers?—A. Such stations would have to operate almost entirely on imported film material.

By Mr. Goode:

Q. Surely the C.B.C. are not afraid of competition from a private station?—A. Not competition as such.

Q. The taxpayers of Canada pay 15 per cent on every set which is sold in Canada, and that goes to the C.B.C. They do at least start with that advantage.—A. We are not out to make a commercial profit. Our job is, in cooperation with private stations and with support of money from the television viewing public, to try to provide a television service throughout this country which includes a lot of Canadian production. That is our whole object.

Q. What are we going to do as a parliament of Canada when sales of television sets arrive at a point where the income from those sets does not meet the expenditure of the C.B.C.? Are we continually going to provide money from the parliament of Canada for the running of the C.B.C.?—A. You are getting out of my field.

Q. It is my field and I think the time will have to come when the C.B.C. will have to take a good look at its advertising revenues and say to itself: "we are going to be self sustaining or else".—A. That to my mind is a very important question. It is simply impossible to operate a nationwide television system in this country, using a reasonable amount of Canadian production, on a commercial basis. Economics are all against it. Therefore it becomes a matter for a national decision by parliament whether nation-wide system having some substantial Canadian production is to exist or whether it is not to exist. It certainly cannot exist on a commercial basis because all commercial arithmetic works against program production in Canada and against the distribution of a service right across the country.

Q. I have a great respect for you and for the C.B.C. but I wonder how long the parliament of Canada is going to go on providing millions of dollars for a corporation which says to this committee that they cannot stand competition from private stations.—A. I have not said that.

Q. You intimated it—A. No, I explained what our objectives are. You referred to duplicate stations and I said they would be bound to affect the

economics of the whole national system. I did not say we could not stand up to competition. We have very keen competition, bluntly speaking, in southern Ontario and around Toronto and in Vancouver, and we are not doing too badly. I am not just speaking of the C.B.C. And in spite of the fact that Canada can put much less money into television programs than can the Americans, yet Canadian service, at a fraction of the cost, is not standing up too badly against American programs.

Q. I am very favourable towards the programs you are putting on, but I still have a question in my mind as to why you are afraid of private competition—I do not think you need to be—A. I said nothing about that. I am perhaps thinking more of your problem as a member of parliament, the financing this system in the future. It will cost a lot of money to maintain this national system right across the country. Duplicate stations are bound to draw off some of the support from the whole system, so that is part of the problem of parliament.

Q. That is true in sound broadcasting. I do not think you need to be afraid of the five or six stations in competition with you at the coast. You do a good job, and if I may mention the polls that have been before the committee before you do very well on percentage.—A. We are not afraid. We are just trying to do a job. As I say, I think the committee will see this more clearly when we get to the financial matters, and the economics of television broadcasting which are far bigger than sound broadcasting although they are not more complicated.

Q. And are they any different than when sound broadcasting first started in Canada when the situation was exactly the same?—A. Yes, because the costs run between five and ten times as much—let us say they are seven times as much. All the factors are in favour of importing rather than producing here and are in favour of bringing programs directly from the United States instead of linking Halifax and Winnipeg and Vancouver. These factors work far more strongly in television. With a large cost per head of population for the whole system, I suggest that parliament needs to think pretty clearly about where the resources are to come from to support the system both through public and advertising channels. If you dilute the flow through advertising channels too much, that is bound to reduce the amount of support.

Q. I do not think you will lose any advertising. I think your programs on the coast are of such quality that you will receive all the advertising support you need. That is my frank opinion. You are doing a good job on the coast, and I do not know why you are worried about competition coming in. Perhaps I am putting it wrongly, but I cannot see the principle.—A. I appreciate your comments, but we know the realities of arithmetic and the way it works in this business. There are often sponsors who are glad to be associated with a good Canadian production, but they find the cost is getting too big, and they tend to drop their sponsorship and sponsor an American film. If that goes on too far, there is less and less support from Canadian advertisers for Canadian production and then there is more burden on the funds coming from the public source, or the whole system has to depreciate.

Q. I am afraid you and I do not agree, but perhaps you have more on your side than I have on mine, and I am willing to listen to you before I make up my mind.

By Mr. Dinsdale:

Q. I have just one question on this point. Mr. Dunton insists that if private stations moved into the telecasting field on the competitive basis, they will have to resort to imported programs. That argument was used for radio and it has not necessarily applied. Why should it apply any more to telecasting? I realize the economics of the problem, but cannot regulations be laid down insisting on Canadian content?—A. I will try to answer the various parts

of your question in sequence. In the first place, if you examine the logs of most private stations in sound broadcasting you will find the great majority of their program output is actually non-Canadian material—records and transcribed programs—the great majority. In television, as I have said, the economic factors work even more strongly in favour of importing rather than producing here. In sound broadcasting, let us suppose you can put on some sort of production that costs \$300 or \$400, and to get the rights of a transcribed program it costs perhaps \$20 or \$30—you are still faced with only an expenditure of \$300 or \$400 for a local production. But if we get into television, even a minimum of any sort of a real studio production would cost between \$2,000 and \$4,000. When it costs you about \$100 to run an imported film on your station the temptation to do so rather than to produce a program is very strong. Strong as it was in sound broadcasting the factors in favour of importation work even more strongly in telecasting.

Q. Regulations in radio work out a certain percentage of Canadian content— —A. No. We thought of that at one time, and there was such an outcry about it, we did not put it in, and at the present time there is no restriction on Canadian content.

Q. They accept network facilities on radio which is Canadian content, and they must carry the network programs?—A. Not all stations. We have a mutual obligation with those that are affiliated with the network but those not affiliated are under no obligation. As I say, the great majority of the material on the air is not Canadian. I am in no way criticizing the operators of private stations. They just have to face the facts of economic life. They want to make a profit naturally, and in general the way to do that in sound broadcasting is to use a large amount of imported records and transcribed material. Some have a sense of responsibility and do much more in the way of community service or live efforts than others do. In television as we know, the costs are very high, and apart from simple programs of a panel type, brief discussions or the interview kind of thing private stations are doing little production. Some of them thought they would support them before they started, but they find they cannot go into larger productions of creative content. At the present time there is no chance of the basic situation changing and therefore the majority of the material is imported film material that is sponsored.

By Mr. Monteith:

Q. I am just thinking out loud now, but I am following up Mr. Goode's point. I am wondering if there has been any thought given by the C.B.C. to having a monopoly in this respect that they now say to a sponsor on the west coast, or on the mainland of British Columbia, "You either pay so much for your advertising through our station, or you do not get on." Now, why should not that person be given the privilege of advertising in another outlet which does bring in a bit of American film only at a cheaper rate. He may find his advertising through your outlet much too expensive.—A. May I say in regard to your first comment that in a crude way it supports what I was saying about additional stations being bound to affect the revenue of stations that are there already. Maybe it would be necessary to reduce rates.

Q. Maybe there will be more room on your station for some who want to get on.—A. It might be, but if the rates are reduced you have not as much support. You spoke of monopoly in television and sound broadcasting. Actually there are monopolies in quite a number of areas in this country where there is only one sound broadcasting station and likely to be only one, and

the same situation arises there. In television, quite apart from any question of licensing policy, there are bound to be monopoly areas as long as we can foresee.

At several places in southern Ontario there is only VHF television channel available for as long as we can see. That situation will be a monopoly, and the same situation applies. There may be other areas where there may be channels available, but the economics of the situation will dictate that for a long time only one station can be supported.

Q. There is another channel, as Mr. Goode has said, which is available in British Columbia, but the economics do not call for another station there now.—A. I have not put it that way. I have been trying to say that the operation of another station there, or a second station to the C.B.C., another existing private station, would be bound to affect the flow of money into the whole national system of Canada. It is a matter of judgment whether it should be allowed to have that effect or not, but it is bound to have that affect.

Q. I claim that it might increase the flow of money into the whole setup.—A. In what way?

Q. In that the private station will pay some money to you.—A. How?

Q. For the use of some of your programs.—A. Let us take Vancouver. Our resources there are fully strained now to “program” that station. The public will not want those same programs going to a private station and duplicating the area. The only thing we can do would be to provide other programs for the station and we have not got the resources for it. It would cost us money and not bring us revenue.

Also, I think it is clear from the returns we filed on the net revenues from the network programs that the C.B.C. as a network organization gets very little money in respect to programs going to its affiliates, very little indeed.

The economic side of television from the point of view of network operation of television is not profitable. The cash returns come in the form of sponsored imported film programs, in spot announcements, and that sort of thing.

Q. These returns have not been explained or discussed in the committee.

The CHAIRMAN: Which returns?

Mr. MONTEITH: The returns which were tabled yesterday.

The CHAIRMAN: I do not think they have been discussed, but they have been tabled.

By Mr. Monteith:

Q. I am a new member on this committee and I am rather ignorant of these expressions. I wonder if Mr. Dunton would explain to me what “less 10 per cent frequency discount” means in Item A.—A. You must take it along with the rate card already provided to the committee. The first item “Total Gross Network Station Time” would be made up of the sum of the one hour rates of the various stations on the network which you will see on the card. They are the stations which are used for that particular program, as is usual in broadcasting.

Q. May I be clarified on one point: is this presumed to be a one hour program, or is it a combination of several quarter hours?—A. No, it is a one hour program.

Q. How do we get this \$5,080?—A. By adding up the individual network station rates for the stations on the network which are included for that program.

Q. Yes.—A. It is usual in broadcasting, for obvious reasons, to give the sponsor a discount if he takes a number of occasions. For instance, he contracts

in this case for fifty-two weeks in the year. That is very worthwhile from the point of view of the whole system, and he gets the full frequency discount of ten per cent.

The regional is probably a particularly Canadian thing. We, as a matter of policy, want to encourage sponsors with good programs to go on all possible stations, particularly to the private affiliates. Therefore, if they take more than one region, as you can see on the second page, they get a discount for taking the other and extra regions, because they are extending the program across the country; but they must take all the stations in the region, the smaller ones as well as the larger ones. In this case, he gets a 16 per cent discount for the larger English program because that program goes to all regions of the country and to practically all the stations to which it can go.

Q. To all the stations to which it can go in that region?—A. Yes. The particular program in this case is stopped from going to certain stations because it is carried on American stations across the border and the American network in question will not let us put it on certain Canadian stations which are near the border. Nevertheless, he still earns his full regional discount.

In fact, that regional discount comes out of the C.B.C.'s share of what is left, as you will see later. Then there is an advertising agency commission of 15 per cent, and by agreement the net, after this is taken off, is split between the United States network and our network. This, as you know, was the subject of bitter negotiations several years ago, and this was a final compromise. We think that the Canadian share is too little, but it is the best that we have been able to get after very strenuous negotiations.

The private station, no matter how these other discounts are worked out, gets 30 per cent of its gross rate. That is the individual rate on the rate card. It gets that 30 per cent, no matter how the other discounts are worked out. The C.B.C. gets what is left, as indicated here.

By Mr. Balcer:

Q. Do you charge the same amount, such as this \$5,080; is that the same price as the network in the United States charges to the sponsor?—A. No. These station rates, as I said yesterday, are worked out according to a rough formula to which we agreed with the private stations, and the rates go up as the number of sets in each area increase. In the United States they pay something more than we can pay in Canada, but we think that the Canadian rates are fairly high in comparison with the American rates. However, they will change as the television audience in each area goes up. Some American station rates run to \$7,000 or \$8,000 an hour; for instance, a New York station where they cover as many people as the whole population of Canada.

By Mr. Monteith:

Q. What is meant by the C.B.C. production subsidy plans?—A. In the first place, there is no such thing. I think we discussed it at some length yesterday but I do not know if Mr. Monteith was here at the time. I think you are referring to what I was explaining to Mr. Fleming, that all the advertisers pay these same rates whether the program is American or Canadian.

If it is an American program we pay nothing for it because the sponsor provides it. Sometimes it comes from an American network and is probably paid for by his present company, or he may arrange to provide a film. But in addition to that, we produce in Canada programs for the service which we think will go into service in an effort to get funds for the system and we try to get sponsors to associate themselves with certain of these programs.

In addition to all these amounts, we get sums from these sponsors in connection with the production of the program, and that in practice has been run-

ning at between 50 per cent and 60 per cent of the total cost of the program, on a full cost accounting basis taking everything into account such as use of the facilities and so on.

By Mr. Balcer:

Q. Mr. Chairman, I have to leave in a few minutes and I wonder if I could ask a question which is not quite relevant to administration, but I was wondering if Mr. Dunton could tell us when we can expect colour television in Canada?—A. We are naturally very interested in this and our people have been watching developments closely in the United States. As I think the committee knows, the United States have adopted official standards and specifications for a broadcasting colour system and there are some broadcasts being broadcast by some networks in colour. Sets are being produced but they are not selling well at all at the present time because the cost of them still runs around \$900 to \$1,000 and at this moment colour is not moving ahead in the United States or at least is moving very slowly. Our figuring in very general terms is that the sensible time for Canada to move in on colour television is when it is possible for manufacturers here to turn out sets of assured performance at a price at which a good number of people will buy them as they do in the United States, somewhere around \$400 or \$500.

Q. You are not doing any research at the present time?—A. We cannot afford to do original research but our management is keeping the development of colour television very much in mind and when the time comes and we find it possible we will go ahead. At the present time two networks in the United States are doing it and it is costing a great deal of money to promote and we have not the finances, not just the C.B.C. but the Canadian system as a whole, to support these two or three colour television shows in a week with only a few sets in the country.

Q. I understand it is about \$100,000 an hour for colour television shows?—A. There are quite a few not coloured that cost that. Colour does not add much to the actual production of the show but Mr. Ouimet can tell you it adds a lot to the technical cost. That is where it goes.

By the Chairman:

Q. Do they have colour television in the States?—A. Oh, yes.

Q. They have the colour in television and we have the colourful program.—A. There were some two or three shows a week which have been reduced lately.

Mr. OUIMET: Do you wish me to explain the additional complications on the technical side in a simple way?

Mr. BALCER: What I was worrying about is this: you hear a lot of people at the present time who are wondering if they should buy a black and white set or wait until the C.B.C. gives them colour television and then invest their money in a colour set.

Mr. OUIMET: Usually we do not give advice, but I think it is pretty well generally recognized by all the people in the industry that black and white receivers will be useful for a long time yet.

Mr. BALCER: I was reading the other day that in the United States—

Mr. OUIMET: To complete my answer, black and white sets can receive any colour transmissions but in black and white, so the same program can be received on the ordinary black and white set. Colour does not render it obsolete except to the extent that the black and white set will reproduce the colour program in black and white but not in colour; but it is the same program, the same information.

Mr. RICHARD (*Ottawa East*): I was wondering if Mr. Dunton has a breakdown of the figures on the Ottawa station that I asked for yesterday?

The WITNESS: I am sorry, it has not been possible to check that yet because the figures are in Montreal where the headquarters of the engineering division is.

By Mr. Monteith:

Q. Mr. Chairman, was there any mention before the committee in my absence about how the televising of the opening of parliament worked out? Was it satisfactory to the C.B.C. or not?—A. We had very good comments on it, excellent comment. In some cases schools arranged for sets so the children could see it. We had a great deal of excellent comment, we had people saying, "Well, I had no idea what went on at the opening of parliament." People seemed to think it was interesting and the television viewers saw more of the opening than is seen by people right here because they could see the different scenes inside and outside and the people here had to see only one, either inside or outside. We have few out-of-pocket expenses. It is simply a cost accounting. We had the mobile units (we had to have a lot of equipment for it), but it was all of our own staff and equipment.

Q. In other words, it was generally satisfactory?—A. Yes

Mr. WEAVER: I would like to ask Mr. Ouimet if a colour television set would receive black and white programs?

Mr. OUIMET: Yes, the colour television system which all the countries are considering now and which is being used in the United States makes it possible to receive on black and white sets a black and white picture of the coloured program.

Mr. WEAVER: How about the other way around?

Mr. OUIMET: I am sorry, I misunderstood.

Mr. WEAVER: The colour set, will it receive black and white?

Mr. OUIMET: That is also true, it will receive black and white.

Mr. CARTER: Does it require very expensive changes in your present broadcasting equipment to broadcast colour programs?

Mr. OUIMET: That is one of the problems. For a transmitter to relay a colour program the change is not too expensive, but to produce colour programs or to originate colour programs the changes in equipment are very expensive. The reason is that a colour system is the equivalent of three monochrome systems working on the three primary colours so, in effect, you have a camera for the red colour, a camera for the green or the yellow and a camera for the blue or violet. Not only do you need three tubes but you also need three men instead of one man, so it means about three times the staff, three times the equipment, about three or four times the light. And, having three or four times the light, you need three or four times the cooling in the studio, so that it is much more expensive technically.

Mr. RICHARD (*Ottawa East*): Does that mean you could have relayed a program like "Peter Pan," that could be relayed at a small cost?

Mr. OUIMET: It could be relayed at a smaller cost provided the transmitters were modified for colour and the transmission circuits also, but this is not the most expensive part. Smaller cost in relation to the higher expense of conversion of the production facilities, but still expensive. We are not talking about a few dollars, but of some hundred of thousands of dollars. Conversion of our production facilities involve some millions.

The CHAIRMAN: Any other questions?

Mr. RICHARDSON: Referring to Mr. Knight's observation that the advertising may be said to be a necessary evil, is it a proper statement to say that without

the advertising revenue we should not, throughout the length and breadth of Canada, get as good quality and quantity of broadcasts as we are getting?

The WITNESS: Yes, obviously the advertising commercial business supplies a lot of revenue to the whole system and a lot of support. In very rough terms we figure that advertisers in total spend for television on the whole Canadian television system about the equivalent of what will be spent over the years from the public's side. They have quite a few costs that are not included here; they pay for their commercials which come quite high, live or on film. If they import the program they may or may not have charges and so on.

The CHAIRMAN: Now, shall we go to the "International Service"?

Mr. STUDER: I am interested in the question of transmission. On this yellow sheet take the Regina station and the Saskatoon station, two cities approximately similar with conditions perhaps the same, and we find your radiated video power at Regina is 19,500 watts and audio 10,000 watts, and Saskatoon is video 100,000 and audio 60,000. Why would there be this variation between those two stations and how does it affect the transmission or the extensiveness of the telecast? Would it be too much to ask that?

The WITNESS: It would depend firstly on the applicant's desires as to what they chose to apply for in the way of power and would be probably related to the channels. Generally speaking the lower channels are more effective. The general answer is that they themselves applied for those powers.

Mr. STUDER: Will one of the two stations transmit that telecast a longer distance as a result of that?

Mr. OUIMET: There are three main factors which affect the distance of transmission of a television station: one is the power, but it is only one factor; the second is the antenna height; the third is the geography of the terrain. Therefore, you cannot tell what coverage a station will have unless you discuss those three factors. Also there is a fourth factor which is the channel it uses. Generally the lower the number of the channel, the lower the frequency, the better it is as compared to a higher frequency.

The WITNESS: In this case the station with the higher channel has chosen to put on more power and I would think that the likely results will be fairly similar.

Mr. OUIMET: Depending on the relative heights of the two antennae.

Mr. STUDER: Because Regina is on one power and Saskatoon on another it does not necessarily depend on that, it depends on geography, height of the antenna and the channel?

Mr. OUIMET: Yes.

Mr. STUDER: But one would cost more to operate?

Mr. OUIMET: It depends again. You can get high output, that is high power, either by using a high power transmitter with a low gain antenna or by using a low power transmitter with high gain antenna. The first case it uses more power, the other case uses less power but it concentrates what it has in a narrow beam horizontally and vertically. In that case it achieves the same results by the use of a more expensive antenna rather than more expensive power.

Mr. CARTER: Does that explanation also apply to Moncton? I notice Moncton has 5,000 video and 3,000 audio?

Mr. OUIMET: This is actually a smaller, lower power station. It has a lower power transmitter and I believe a low antenna. This is a smaller station. On your list there are some very large stations and some rather small stations.

Mr. CARTER: How many private stations are there in the maritimes?

The WITNESS: They are all private stations with the exception of Halifax. There are three private stations.

Mr. STUDER: If there are two stations 100 miles apart, one on channel 2 and the other on channel 3, would there be interference?

Mr. OUMET: 100 miles apart will not bring interference.

By Mr. Reinke:

Q. Getting back to Mr. Goode's argument, do you have much competition from the United States from advertisers advertising products other than liquor, beer and wine? We know in Ontario, for instance, we have two Buffalo stations beaming to Hamilton and surrounding districts and the breweries I think in particular are advertising to the extent of perhaps \$1½ million a year on those two stations or in stations along the American border. Is this the only competition we have in particular?—A. We have not noticed it in anything else and the brewery advertising does not arise as competition.

Q. I have an advertisement advertising channel 2 Buffalo and it seems to me that the competition there may extend into other fields other than beer and liquor.—A. We have noticed it. Of course there is the competition for the viewers' attention, which is a very important one. From our point of view we are naturally interested in the service and people viewing it in addition to the commercial aspect.

Q. What is our policy on the advertising of beer and liquor commercially in Ontario? I notice in your regulations it is prohibited in any province other than those provinces which allow the advertising of it?—A. Under that regulation it is not allowed in Ontario and that is why this business goes on the American stations.

Q. I have noticed in Ontario that some of the breweries do advertise in the newspapers promoting some type of conservation or some such thing.—A. That is a curious situation which some of the private stations have taken up with us and we plan to look into it. It does seem to be an anomalous situation. They are being allowed to put their name on billboards and so on advertising good citizenship or something. It is a curious position.

Mr. GOODE: I think it should be pointed out in explanation that my point is that Canadian advertisers are advertising Canadian products for sale in Canada over the United States stations. That was the point I made. I hope that we never allow beer and liquor to be advertised on Canadian television, but the point I made was it is Canadian products for sale to Canadians that are being advertised over United States television stations. They cannot sell to the United States. They mention tea and coffee and it is not possible to sell those goods in competition with United States goods. These programs are being put on for viewing by Canadian listeners and not for the American market because it is impossible to sell the products there because of the price if for no other reason.

The CHAIRMAN: We will now start on the "International Service, Voice of Canada".

Mr. MONTEITH: I wonder if we could have a brief general statement. As I said before I am new to this committee and I wonder if the chairman would mind giving us an idea of how this started and its ultimate aims and that sort of thing.

The CHAIRMAN: On "International Service"?

Mr. MONTEITH: Yes.

The WITNESS: Perhaps I could give an explanation and then the general manager could enlarge upon it. In this service the corporation—unlike the case with regard to the national service—is in effect an agent for the govern-

ment in carrying out international broadcasting, that is broadcasting to countries other than Canada or the United States. The funds are provided from government sources by direct vote.

The service was started in the latter part of the war partly to provide broadcasting for Canadian troops overseas and also to broadcast at that time to friends in Europe, in occupied countries and in some neutral countries as part of the war effort, and also to do information work. After the war the service naturally changed emphasis to some extent and was extended to more general broadcasting to a number of Western European countries including Czechoslovakia. A service was begun in Spanish and Portuguese in South America to provide Canadian information there. It developed during the years and finally reached the stage which it has now reached.

The service to most of the Western European countries started with the war. The Dutch and French services, the German, Italian and weekly Finnish services, the Czech service, which was one of the early ones, the Polish service was added—I think I mentioned the Italian service—then the Ukrainian part was added to the Russian service fairly recently.

The broadcasts go out from the big transmitting station at Sackville and reach Europe very successfully—the signal received in Europe is as good as any from North America. They reach South America quite well and they can also reach Australia and New Zealand to which countries we have been transmitting weekly broadcasts. That was about the extent of the service last year.

Then a decision was made to reduce the cost of these transmissions, and the services to Western European countries have in the last month or two been reduced at considerable saving. The services to the Scandinavian countries, the Netherlands and Italy are to be reduced to only small services at week-ends. The Finnish service has been dropped. The French and English services have been reduced and the service to the Latin American countries has also been reduced, but the actual time spent in broadcasting to countries beyond the “iron curtain” has been increased and better listening times provided for the services in Russian, Ukrainian, Polish and Czechoslovakian. That is a very quick outline of the service.

By Mr. Reinke:

Q. Is there any way, Mr. Dunton, in which the results of these broadcasts can be measured? Have you any indication of the extent to which we are getting our information across or is there so much “jamming” that it is difficult to estimate the results?—A. You mentioned “jamming”. As to countries behind the “iron curtain” . . . very little information comes through from Russia, but some does reach us through confidential channels and it is known that in spite of the “jamming” some broadcasting gets through. We know the overseas service has been heard by at least some people in that country, and the Canadian service has certainly contributed to the general British and American effort to get through something to the Russian people. We know from information in our possession that at least a good part of the very wide audience we had in Czechoslovakia before the coup there has been retained. The Polish service was fairly new and there is not much information from that country, although we know we are helping the general effort there.

In other countries this side of the “iron curtain” the evidence we have is through the mail, and the mail to the service has run very high in relation to the other big services. For example, for one period we were getting as many letters as the B.B.C. from Western Europe, and members of the committee will realize that the B.B.C. devotes a much larger expenditure to the service than we do. The mail received last year rose again and was about 35,000 letters. Those are all genuine letters, not just cards.

Q. Letters from where?—A. Letters from Western Europe, but quite naturally there were others from Latin America and miscellaneous countries.

Q. None from behind the “iron curtain”?—A. Yes, a few have still come from Czechoslovakia because people took the trouble and went to the risk of having them smuggled out. We have had a trickle reaching us since the coup—all smuggled letters—asking us to “keep it up” and that sort of thing. In addition to the mail, which is not a scientific poll but which certainly shows that a lot of people are listening—the B.B.C. have had some questions put on listener surveys, and in general we know that in friendly countries in Europe quite a lot of people have listened to the service fairly regularly. We know that in the smaller countries we have had a lot of listeners—probably not relatively as many in France. We have had quite a few in Holland and a certain number in Italy. In England we would not, frankly think we would have a high proportion of the public listening directly, but the service there also acts as a method of relaying programs to Britain. The B.B.C. takes up items which are then broadcast directly.

The CHAIRMAN: What would be the proportion of letters received from France?

The WITNESS: Of the 35,000 letters received last year 2,900 were French. Some other figures which I have might interest the committee. In 1954 5,700 letters were received from Germany, 3,000 from Italy, 5,900 from Sweden—an example of the size of audience we have in Sweden. From listeners to the Spanish programs 3,433 letters were received, and that would be from an audience fairly widespread in South America, and perhaps even from a few listeners in Spain. The Finnish service is a once-a-week service and we had 1,200 letters last year. The Dutch service produced 4,700 letters.

The CHAIRMAN: And the Greek?

The WITNESS: The Greek, 267. That is a relay service.

The CHAIRMAN: Any other questions on that?

Mr. CARTER: Did these letters contain any suggestions as to possible changes in your type of broadcast?

The WITNESS: Quite often people suggest that they would like to hear specific things about Canada in the service. They quite often ask questions and make comments on the service, naming things which they like and things which they don't like. I have a few examples from recent letters here.

Mr. RICHARDSON: Has the corporation got any special officer or little committee to deal with these letters and collect the good ideas and observations from them?

The WITNESS: Oh yes, a section handles them in Montreal and analyses them for use by our people in planning programs.

Mr. MONTEITH: The report mentions that of the requests for information, 73 per cent dealt with programming, 25 with general information on Canada, and 2 per cent with immigration. Those latter were queries, I presume, concerning immigration.

The WITNESS: Yes.

The CHAIRMAN: Are there any other questions on the International Service?

By Mr. Monteith:

Q. What department of the government does this come under?—A. It is carried under the original terms of establishment in consultation with the Department of External Affairs, and the policies for the service were set by that department and they check on the carrying out of the policies. But from the point of view of administration, the corporation itself is responsible.

Q. You have mentioned that within the last couple of months there has been a suggestion that you spend less on this particular program?—A. I do not

think it was a suggestion. The estimates were considerably reduced for this year as Dr. McCann explained in the House, and he outlined the decisions on the reduction of the service. I think you will see the estimates for the international service are down about \$600,000 this year. It is covered by a direct estimate in the usual form, and the financing is separate from the national service.

Q. And whatever you spend in this department is collected separately?—A. Yes. We can spend only the money voted specifically for this purpose, and our treasurer gets it from the Finance Department.

By Mr. Goode:

Q. Have you asked for more, Mr. Dunton?—A. This service is different from the national service. In this case the External Affairs department and the government itself sets the policy including the targets and the extent of the service. We do not determine the policy.

Q. You do not requisition for a certain amount of money—it is allocated to you?—A. There are discussions with us, but the policy decisions are made by the government.

Hon. Mr. McCANN: As far as the C.B.C. goes, it is just an agency carrying it on.

By Mr. Monteith:

Q. You mentioned that the broadcasts emanate from Sackville?—A. Yes, the headquarters of the service and studios are in Montreal; that is where all the programs are made from.

By Mr. Carter:

Q. Did you say the service was reduced by \$600,000 for the coming year?—A. Yes, that is the difference in the estimate.

Q. What will the effect of that be—will certain broadcasts be eliminated altogether?—A. I outlined the changes before. There will be a reduction in most western European services of small programs on weekends, the dropping of the weekly Finnish service, and some reduction in the English and French transmissions and in the South American transmissions in Spanish and Portuguese, but the time for iron curtain programs has increased somewhat.

Q. In other words, you are trying to avoid too much duplication of a service that is already rendered by British Broadcasting system?—A. You mean to the western European countries?

Q. Yes. We are concentrating more on the iron curtain countries at the expense of the rest of Europe?—A. The effort to the iron curtain countries has not been reduced, and the time will be somewhat increased actually.

By Mr. Monteith:

Q. What proportion of the building in Montreal is occupied by the international service?—A. A fair proportion. The international service has a staff of about 180 people.

Q. How many others will be in that building, roughly?—A. Just over a thousand in the building, I think.

Mr. GOODE: We will have the opportunity of seeing the international service if we go to Montreal, will we?

The WITNESS: We could get that proportion for you for another meeting.

By Mr. Monteith:

Q. That is all right for the moment. Is it true that the international service purchased the building in Montreal?—A. Yes, it was bought for the

international service and is owned by the government and not by the corporation. We pay rent for the large part of the building used by our own national service.

Q. That will come up, I suppose, in finance, Mr. Chairman, the amount of rent and so on?

The CHAIRMAN: You will have an opportunity to ask questions about the rent and so on when we are discussing finance on pages 42 and 43. Perhaps you could wait until then for an answer to that question, Mr. Monteith?

By Mr. Decore:

Q. I was wondering whether any effort has been made either by the C.B.C. or the External Affairs department to ascertain the laws in countries behind the iron curtain in connection with these broadcasts, that is whether it is considered to be an offence to listen to the broadcasts?—A. Yes, quite a lot of information has been gathered about that. In general, I think the information, as I remember it, is that in most of these countries there is a penalty for spreading false information and that is taken and used or may be used against people who listen and discuss broadcasts, but I do not think we have heard of any direct law against listening itself.

Q. My information is that people can listen to the broadcasts but cannot discuss them?—A. Yes. It is the same thing.

Q. That is, in the U.S.S.R., and I think it is different in Poland. I think the law there does not forbid people discussing the broadcasts who come from Canada or the United States?—A. I am not certain about it; I thought it did.

Q. In any event, have you any information as to the number of receiving sets, and as to whether they are quite extensive?—A. Yes, estimates have been made by authorities who work with these things. It is known that in Russia, for instance, there are quite a lot, because the Russians have to use shortwave broadcasts to some extent for their own internal broadcasting to cover their own large areas. It is known there are a number of sets in Russia, and also there were a number of shortwave sets in Czechoslovakia and Poland before the change in the regime there. It is estimated that a high proportion of these are still operating.

Q. That would be the kind of receiving set capable of picking up broadcasts from Canada and the United States?—A. Yes, with shortwave bands.

Q. And is there any evidence about the effect of the jamming of these broadcasts?—A. It has been studied a lot. It is hard to know exactly, because in general they have to jam relatively small areas at a time with transmitters and so they may jam some important areas—for instance, the whole Moscow area is jammed very heavily—but they may not be able to jam nearly as effectively in some other parts of the country—that is, Russia itself. Therefore in general summary it is known that at least part of the time part of the broadcasts are available in parts of the country. In the satellite countries there is far less jamming.

Q. Is there much evidence within the last few years that jamming facilities have been increasing?—A. Oh yes, they have been increasing steadily right along. In Russia they are putting an enormous effort into jamming, and it is estimated there are over 1,000 transmitters on jamming which would represent a big use of man power as well as facilities.

Q. And there is evidence that the jamming is on the increase right at this time?—A. It is tending to go up although no sharp increase has been noticed in it. I think it is at a very high level, and has been over the last several years.

Q. What is the best time for these broadcasts to go over? When can you be sure the most people will listen to them in the U.S.S.R.?—A. I think anyone can guess what the families over there may be doing. Presumably the

early evening is a good time, although I think quite a lot of this kind of listening is done at times fairly late in the evening. There would be people who would listen to shortwave and who might sit up late getting signals, and perhaps earlier, in the late afternoon would be a good time. You can see from the schedules that our broadcasts run from the afternoon to the late evening.

By Mr. Carter:

Q. Do you broadcast on more than one wave length?—A. Yes, we have two transmitters and all the programs go on two different frequencies. These may shift, depending on the technical calculations. In Sackville, for instance, we use 18 different frequencies at different times, but only two at a time because we have only two transmitters.

Q. How long have we been broadcasting to Poland?—A. Since July, 1953.

Q. Since the last time you were before the committee?—A. Yes. The service got under way that summer, I think.

The CHAIRMAN: Have you any answers to give, Mr. Dunton?

The WITNESS: No, I think we are pretty well caught up.

Mr. GOODE: You have some correspondence you were going to refer to me. I wonder when I might expect that?

The CHAIRMAN: Mr. Dunton has the information, Mr. Goode.

Mr. GOODE: He can give me the list after we adjourn? There is no need to put it on the record.

Mr. BOISVERT: Are we finished with international service, Mr. Chairman?

The CHAIRMAN: No. I think Mr. Decore has an important subject to bring before the committee.

Mr. DECORE: I wonder if we could get a few sample copies of effective broadcasts which go to the countries behind the Iron Curtain?

The WITNESS: Yes, certainly.

Mr. GOODE: When are we going to meet again?

The CHAIRMAN: We are to have a meeting of the agenda committee following this meeting this morning, and at that time it will be proposed that we sit on Tuesday morning, Tuesday afternoon, Thursday morning, Thursday afternoon, and on Friday.

Mr. RICHARDSON: It will be hard!

The CHAIRMAN: Altogether there are only three committees sitting on Tuesday.

Mr. BOISVERT: Only three, but they are all at 11 o'clock.

The CHAIRMAN: We have only four members of our committee who will be affected and they can divide, two here, and two in the other committee.

Mr. BOISVERT: What about the third one?

The CHAIRMAN: We will take that up with the agenda committee, and, as you know, we will take up at the same time the trip to Montreal and you will have a notice in due time.

APPENDIX “A”

TELEVISION SETS-IN-USE—MARCH 1955

TELEVISION SETS-IN-USE—MARCH 1955

BASED ON

Radio-Television Manufacturers Association Reports

<i>Region</i>	<i>Cumulative Total Units</i>
NEWFOUNDLAND	433
MARITIMES	45,029
Nova Scotia	24,178
Prince Edward Island and New Brunswick	20,851
QUEBEC	401,794
Montreal Area	353,818
Quebec	44,250
Other Quebec	3,726
ONTARIO	727,970
Ottawa and Eastern Ontario	84,139
Toronto	307,653
Hamilton-Niagara	135,696
London Area	50,293
Windsor Area	94,625
Sudbury	13,183
Lakehead Area	3,867
Other Ontario	38,514
PRAIRIES	100,536
Manitoba	46,013
Saskatchewan	17,967
Alberta	36,556
BRITISH COLUMBIA	100,339
ALL CANADA	1,376,101